



ARCUS S.A. CAPITAL GROUP

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CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENT AND CONDENSED UNCONSOLIDATED FINANCIAL STATEMENT FOR THE FIRST HALF OF 2010

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

Warsaw, 31 August 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	FIRST HALF OF 2010	FIRST HALF OF 2009	FIRST HALF OF 2010	FIRST HALF OF 2009
	PLN THOUSAND		EUR THOUSAND	
I. Revenues from sales of products, goods and materials	79 497	41 449	19 853	19 853
II. Operating Profit (Loss)	-994	-2 571	-248	-569
III. Profit (Loss) Before Tax	-894	-3 593	-223	-795
IV. Net Profit (Loss)	-873	-3 430	-218	-759
Net Profit (Loss) attributable to Dominant Company's shareholders	-386	-3 523	-96	-780
V. Net Operating Cash Flow	13 182	9 362	3 292	2 072
VI. Net Investment Cash Flow	-1 590	-853	-397	-189
VII. Net Financial Cash Flow	383	1 024	96	227
VIII. Change in Cash	11 975	9 533	2 991	2 110
IX. Total Assets	92 265	81 850	22 255	18 313
X. Long-Term Liabilities	3 090	841	745	188
XI. Short-Term Liabilities	23 784	18 768	5 737	4 199
XII. Equity	65 067	61 887	15 695	13 846
Equity attributable to Dominant Company's shareholders	64 568	60 773	15 574	13 597
XIII. Share Capital	740	730	178	163

XIV. Shares Number (weighted average)	7 359 157	7 296 681	7 395 157	7 296 681
XV. Net Profit (Loss) per Share attributable to Dominant Company's shareholders (in PLN/EUR)	-0,05	-0,48	-0,01	-0,11
XVI. Diluted Profit (Loss) per share attributable to Parent Company shareholders (in PLN/EUR)	-0,05	-0,48	-0,01	-0,11

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

- For balance sheet items – 4.1082 - National Bank's of Poland exchange rate applicable on 31 December 2009, 4.1458 - National Bank's of Poland exchange rate applicable on 30 June 2010; 4.4696 - National Bank's of Poland exchange rate applicable on 30 June 2009;
- For profit and loss account items and cash flow statement items for the period of 6 months of 2010 and 2009 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 30 June 2010:
EUR 1 = PLN 4.0042
 - Average exchange rate between 1 January and 30 June 2009:
EUR 1 = PLN 4.5184

II. CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENT OF ARCUS CAPITAL GROUP FOR THE FIRST HALF OF 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income	1 January 2010 – 30 June 2010	1 January 2009 – 30 June 2009	1 April 2010 – 30 June 2010	1 April 2009 – 30 June 2009
	PLN THOUSAND			
Continued business activity				
Sales revenue	79 497	41 449	28 185	23 258
Own sales cost	65 642	34 019	23 212	20 677
Gross sales profit (loss)	13 855	7 430	4 973	2 581
Other operating revenue	46	65	38	17
Sales costs	11 126	4 745	4 485	1 060
General and administrative costs	3 645	4 862	2 413	3 363
Other operating costs	124	459	81	439
Restructuring costs	0	0	0	0
Operating profit (loss)	-994	-2 571	-1 968	-2 264
Financial revenue	721	947	-83	444
Financial costs	621	1 969	567	-702
Profit (loss) before tax	-894	-3 593	-2 618	-1 118
Income tax	-21	-163	-528	163
Net profit (loss) from Continued business activity	-873	-3 430	-2 090	-1 281
Discontinued business activity	0	0	0	0

Net profit (loss) from discontinued business activity	0	0	0	0
Net profit (loss)	-873	-3 430	-2 090	-1 281
Attributable to:				
Shareholders of a dominant company	-386	-3 523	-1 763	-1 211
Minority shareholders	-487	93	-327	-70
Profit (loss) per share attributable to shareholders of the dominant company				
Continued business activity:				
Ordinary	-0,05	-0,48	-0,28	-0,11
Diluted	-0,05	-0,48	-0,28	-0,11
Discontinued business activity:				
Ordinary	-0,05	-0,48	-0,28	-0,11
Diluted	-0,05	-0,48	-0,28	-0,11

Statement of comprehensive income	1 January 2010 – 30 June 2010	1 January 2009 – 30 June 2009	1 April 2010 – 30 June 2010	1 April 2009 – 30 June 2009
	PLN THOUSAND			
Net Profit (loss) for the period	-873	-3 430	-2 090	-1 281
Other comprehensive income				
Financial Assets available for sale	-803		-803	
Cash Flow Hedge				
Actuarial Profit (loss) due to retirement pension programs				
Income Tax regarding other comprehensive income	153		153	

Other net comprehensive income				
Comprehensive income for the period	-1 523	-3 430	-2 740	-1 281

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
	PLN THOUSAND		
FIXED ASSETS			
Intangible Assets	2 431	1 664	1 806
Consolidation goodwill	3 029	3 029	3 029
Tangible fixed assets	1 650	3 884	1 897
Financial assets available for sale	1 751	2 523	2 523
Long term receivables	553	534	248
Long term investments	1 899	0	0
Deferred income tax assets	1 499	491	521
	12 812	12 125	10 024
CURRENT ASSETS			
Inventory	24 765	19 639	25 242
Short term investments	336	0	0
Trade and other receivables	22 035	51 630	11 338
Income Tax Receivables	266	28	0
Cash and cash equivalents	32 051	20 076	35 246
	79 453	91 373	71 826
TOTAL ASSETS	92 265	103 498	81 850

Liabilities	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
	PLN THOUSAND		
Equity (attributable to the shareholders of the dominant company)			
Share capital	740	740	730
Reserve Capital from sale of shares at premium	37 631	37 631	37 631
Reserve Revaluation capital	-650	0	1
Other capital reserves	143	143	142
Reserve Capital	14 261	14 261	14 261
Retained earnings	12 443	12 778	8 008
	64 568	65 553	60 773
Non-controlling entities' share	499	986	1 114
Total Equity	65 067	66 539	61 887
Long-term liabilities			
Provision for deferred income tax	742	387	271
Provisions for liabilities	516	340	318
Other long-term liabilities	1 832	1 900	252
	3 090	2 627	841
Short-term liabilities			
Short term bank loans and credits	0	0	522
Trade and other liabilities	22 031	32 963	17 467
Income tax liabilities	0	286	21
Provisions for liabilities	1 753	823	758
Other financial liabilities	0	0	0
	23 784	34 072	18 768
Other liabilities	324	260	354
TOTAL LIABILITIES	92 265	103 498	81 850

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period of 1 January 2010 – 30 June 2010

	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 2010	740	37 774	12 778	0	14 261	65 553	986	66 539
Changes in accounting principles	-	-	-	-	-	0	-	0
Current Period Adjustments	-	-	51	-	0	51	0	51
Increases	-	-	0	-	0	0	0	0
Shares issue	0	0	0	-	-	0	0	0
Purchase of the company	0	0	0	-	-	0	0	0
Previous/Current period's result	0	0	0	-	-	0	0	0
Decreases	-	-	386	650	-	1 036	487	1 523
Dividend payment	0	0	0	-	-	0	-	0
Previous year's profit allocation	-	-	0	-	-	-	-	-
Value change	-	-	-	650	-	650	-	650
Current year's loss	-	-	386	-	-	386	487	873
Status as at 30 June 2010	740	37 774	12 443	-650	14 261	64 568	499	65 067

For the period of 1 January 2009 – 30 June 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 Adjustments	-	-	-39	-	0	-39	-36	-75
Increases	-	-	0	-	0	0	93	93
Shares issue	0	0	0	-	-	0	0	0
Purchase of the company	0	0	0	-	-	0	93	93
Previous/Current period's result	0	0	0	-	-	0	0	0
Decreases	-	-	3 617	-	-	3 617	-	3 617
Dividend payment	0	0	0	-	-	0	-	0
Previous year's profit allocation	-	-	0	-	-		-	-
Current year's loss	-	-	3 617	-	-	3 617	-	3 617
Status as at 30 June 2009	730	37 773	8 008	1	14 261	60 773	1 114	61 887

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	-	-	88	-	0	88	-36	52
Increases	10	1	1 026	-	0	1 037	-35	1 002
Share issue	10	0	0	-	-	10	0	10
Purchase of the company	0	0	0	-	-	0	0	0
Previous/Current period's result	0	0	1 026	-	-	1 026	-35	991
Decreases	-	-	0	1	-	1	0	1
Dividend payment	0	0	0	-	-	0	-	0
Previous year's profit allocation	-	-	0	-	-	0	-	0
Current year's loss	-	-	0	-	-	0	0	0
Status as at 31 December 2009	740	37 774	12 778	0	14 261	65 553	986	66 539

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Cash Flow Statement	1 January 2010 – 30 June 2010	1 January 2009 – 31 December 2009	1 January 2009 – 30 June 2009
	PLN THOUSAND		
Operating Activities			
Profit (Loss) before Tax	-894	1 292	-3 593
Items' Adjustments	14 076	-6 893	12 955
Depreciation	721	1 368	497
Currency Translation Differences	0	0	0
Interest Received	-593	-1 631	-907
Interest Paid	0	42	0
Dividend received	0	0	0
Profit (Loss) on Investment Activities	-3	-4	-2
Change in Inventories	-5 126	-1 366	-6 970
Change in receivables	29 802	-3 975	37 312
Change in Liabilities and Reserves	-8 837	-451	-16 547
Change in other Assets	-917	54	-333
Income Tax Paid	-949	-740	-37
Other	-22	-190	-58
	13 182	-5 601	9 362
Investment Activities			
Inflows	3	4	2
Inflows proceeding from disposal of intangible assets and tangible fixed assets	3	4	2
Inflows from Financial Assets	0	0	0
In Other Entities	0	0	0
Outflows	-1 593	-1 386	-855

Outflows for acquisition of tangible fixed assets	-1 593	-1 386	-855
Outflows for acquisition of financial assets	0	0	0
Other outflows	0	0	0
Incomes from sale of fixed tangible assets	0	0	0
Incomes from sale of financial assets	0	0	0
Interest received	0	0	0
Dividend received	0	0	0
	-1 590	-1 382	-853
Financial Activities			
Inflows	822	1 849	1 024
Inflows from share issue	0	10	0
Other financial inflows	0	0	0
Inflows from contracted credit and loans	0	0	962
Interest	717	1 839	62
Payment of amounts due to financial lease	105	0	0
Outflows	-439	-503	0
Repayment of credit and loans	-8	-300	0
Payment of liabilities arising from financial leases	-284	-151	0
Dividend Paid	0	0	0
Interest Paid	-147	-52	0
From other Financial Liabilities	0	0	0
Currency Translation Differences	-	-	-
	383	1 346	1 024
Change in Cash	11 975	-5 637	9 533
Balance Sheet Change in Cash	11 975	-5 637	9 533
Change in Cash preceding from Currency Translation Differences			

Cash at the beginning period	20 076	25 713	25 713
Cash at the end period	32 051	20 076	35 246

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 (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 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 provisions of the Commercial Companies Code as well as in accordance with provisions of the Act on Trading in Financial Instruments (of 29 July 2005) and the 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 delivery of comprehensive solutions for:

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

Management Board

As at balance sheet day, that is as at 30 June 2010 and as at the day of the financial statement hereof publication, the composition of the Management Board was as follows:

- Wojciech Kruszyński – President of the Management Board
- Konrad Kowalczyk - Vice-President of the Management Board
- Wiktor Róžański - Vice-President of the Management Board

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.

The Extraordinary General Meeting of ARCUS S.A. Company's Shareholders held on 30 March 2010 adopted the Resolution No 3 of 30 March 2010 regarding the appointment of Mr. Ryszard Barski to the composition of the Supervisory Board. (Mr. Ryszard Barski has been appointed to perform functions of the Member of the Supervisory Board).

The Extraordinary General Meeting of ARCUS S.A. Company's Shareholders held on 30 March 2010 adopted the Resolution No 5 of 30 March 2010 regarding the appointment of Mrs. Elżbieta Niebisz (Member of the Supervisory Board) as a Chairman of the Supervisory Board.

As at 30 June 2010 and as at the day of the financial statement hereof publication the composition of the Supervisory Board was as follows:

- Elżbieta Niebisz – Chairman 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
- Ryszard Barski - Member of the Supervisory Board

ARCUS 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.

T-matic Systems Ltd. was established as a limited liability company incorporated by the notarized deed of 27 September 2006 (A Repertory No 1776/2006). The

company is recorded by the District Court for the Capital City of Warsaw (13th 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.

IV. ACCOUNTING PRINCIPLES – CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Basis for financial information preparation

The presented consolidated financial statement has been prepared as at 30 June 2010. The comparable data cover the period of 1 January 2009 – 30 June 2009. 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 2010 – 30 June 2010 as well as comparable data for the period from 1 January to 30 June 2009 has been prepared in accordance with International Financial Reporting Standards (IFRS) approved by the European Union. The interim consolidated financial statement of the Capital Group has been prepared in line with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) approved by the European Union as well as in accordance with applicable provisions and the Regulation of the Minister of Finance of 19 February 2009 on current and interim information published by the issuers of securities (Journal of Laws No 33, item 259). In the condensed consolidated interim financial statement hereof the same accounting principles as those applied for the preparation of the consolidated financial statement for the year 2009 were applied with the exception of the following adjustments to standards and new interpretations applicable to annual periods beginning on or after 1 January 2010:

- IFRS 1 – 'First-time Adoption of International Financial Reporting Standards' – amended IFRS 1 replaced the current IFRS 1 in order to simplify the application of this standard and facilitate adjustments in future. In the amended IFRS 1 some invalid guidelines regarding the transition to the International Financial Reporting Standards have been deleted as well as some minor wording changes have been made. Currently binding requirements remained unchanged. The amendments of 28 January 2010 – few exemptions as regards the comparable data and IFRS 7 'Financial Instruments' – disclosure for entities applying the

International Financial Reporting Standards for the first time. The amendments implemented to the Standards shall apply to entities applying IFRS for the first time.

- IFRS 2 'Share-based payment' (of 18 June 2009) – amendments to IFRS 2 clarify the recognition of share-based payment transactions in which the payment to the supplier of goods or services is cash-settled while the liability is incurred by other entity included in the capital group (share-based payment transactions are cash-settled in the capital group). The application of this interpretation did not influence the financial situation or the Group's operating result as there were no events directly associated with this interpretation.
- IFRS 5 'Non-current assets held for sale and discontinued operations' – the amendment clarifies that if a subsidiary entity meets the criteria of 'held for sale' classification, then all its assets and liabilities shall be classified as 'held for sale' even if after the sales transaction the dominant entity will hold the non-controlling stakes in this subsidiary entity. The application of this amendment did not influence the financial situation or the Group's operating result as there were no events directly associated with this amendment.
- Amendments to IFRS arising from the annual review and binding as from 1 January 2010. The annual review is aimed at improvement and clarification of the International Accounting Standards. The majority of amendments clarifies the existing IFRS or implements the corrections to these IFRS or constitutes the amendments arising from previous amendments to IFRS. The amendments to IFRS 8, IAS 17, IAS 36 and IAS 39 cover the changes of binding requirements or constitute the additional explanations regarding the application of these requirements.
- IAS 7 'Statement of Cash Flows' – the amendment clearly states that only the outflows leading to the recognition of assets component may be classified as cash flows from investment activities. Mentioned amendment has an influence on the manner of presentation of conditional payment (cash-settled in 2010) as regard the business combinations. The

application of this amendment did not influence the financial situation or the Group's operating result as there were no events directly associated with this amendment.

- IAS 32 'Financial Instruments: Presentation' (of 8 October 2009) – amendment to IAS 32 clarifies the manner of recognition of specific preemptive rights in the situation when the issued financial instruments are denominated in other currency than issuer's functional currency. If such instruments are offered pro rata to existing shareholders of the issuer in exchange for determined amount of cash then shall be classified as capital instruments also when their exercise price is determined in other currency than issuer's functional currency. The application of this amendment did not influence the financial situation or the Group's operating result as the Group did not issue such instruments.
- IAS 27 'Consolidated and Separate Financial Statements' – in accordance with amended IAS 27 the total revenue shall be attributed to the owners of a dominant entity and non-controlling stakes even if, as a result, the non-controlling stakes take the negative value.

The standards and interpretations which have been published but have not yet entered into force due to the fact that they have not yet been approved by the European Union or have been approved by the European Union but have not been previously applied by the Group:

- IFRS 9 'Financial Instruments' – the new standard is to replace the International Accounting Standard (IAS) 39.
- Amendments to IFRIC Interpretation 14 and IAS 19 – the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: prepayments of the minimum funding requirements – applicable to annual periods beginning on or after 1 January 2011.
- IFRIC 19 'Extinguishing Financial Liabilities with Equity' – the interpretation clarifies the guidelines of International Financial Reporting Standards (IFRS) when the entity renegotiates the financial liabilities

conditions with creditors and creditors agree to accept the entity's shares or other capital instruments in order to settle the financial liabilities entirely or partially.

- IAS 24 'Related Party Disclosures' (amended in November 2009) – applicable to annual periods beginning on or after 1 January 2011. The Group is currently analyzing the influence of amendments on financial statement. Amendments arising from the annual review of IFRS applicable to reporting periods beginning on or after 1 January 2011.

Principles of consolidation

The consolidated financial statement comprises the financial statement of a dominant entity and a subsidiary controlled by the dominant entity, prepared as at 30 June 2010 (comparable data for 2009).

ARCUS S.A. Company assumed control over the subsidiary – T-matic Systems Ltd. on 29 July 2008. The control occurs when a dominant entity has a possibility to influence the financial and operational policy of a subsidiary in order to achieve the benefits from its business activities.

As at the day of acquisition, the assets and liabilities of an acquired entity are valued at fair value. An excess of purchase price over the fair value of identifiable net assets of acquired entity shall be recognized as goodwill. In case, the purchase price is lower than fair value of identifiable net assets of acquired entity, the difference shall be recognized as a profit in the profit and loss account of the period during which the purchase occurred. The share of minority shareholders shall be recognized in the relevant proportion of fair value of assets and capital. In subsequent periods, the losses attributable to minority shareholders (above the value of their shares) shall decrease the equity of a dominant entity.

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.

In 2006, ARCUS S.A. Company acquired 70.000 shares of The Southern Poland Power Company. The purchase price amounted to PLN 2 523 000. On 31 March 2010 shares of The Southern Poland Power 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.

Changes in Accounting Principles

During the period covered by this statement, ARCUS S.A. Company and the 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 2009 published on 30 April 2010.

VI. CONDENSED UNCONSOLIDATED (SEPARATE) FINANCIAL STATEMENT OF ARCUS S.A. COMPANY FOR THE FIRST HALF OF 2010

The condensed unconsolidated financial statement of ARCUS S.A. for the first half of 2010 has been prepared in accordance with International Financial Reporting Standards.

Selected financial data of ARCUS S.A. Company

Selected Financial Data	FIRST HALF OF 2010	FIRST HALF OF 2009	FIRST HALF OF 2010	FIRST HALF OF 2009
	PLN THOUSAND		EUR THOUSAND	
I. Revenues from sales of products, goods and materials	77 797	38 701	19 429	8 565
II. Operating Profit (Loss)	41	-2 943	10	-651
III. Profit (Loss) Before Tax	332	-3 863	83	-855
IV. Net Profit (Loss)	261	-3 766	65	-833
V. Net Operating Cash Flow	12 788	10 096	3 194	2 234
VI. Net Investment Cash Flow	-1 373	-1 439	-343	-318
VII. Net Financial Cash Flow	691	994	173	220
VIII. Change in Cash	12 106	9 651	3 023	2 136
IX. Total Assets	90 295	77 821	21 780	17 411
X. Long-Term Liabilities	2 831	469	683	105
XI. Short-Term Liabilities	22 612	16 978	5 454	3 799

XII. Equity	64 528	60 020	15 565	13 428
XIII. Share Capital	740	730	178	163
XIV. Shares Number (weighted average)	7 395 157	7 296 681	7 395 157	7 296 681
XV. Net Profit (Loss) per Share	0,04	-0,52	0,01	-0,11

Statement of ARCUS S.A. comprehensive income

Statement of comprehensive income	1 January 2010 – 30 June 2010	1 January 2009 – 30 June 2009	1 April 2010 – 30 June 2010	1 April 2009 – 30 June 2009
	PLN THOUSAND			
Continued business activity				
Sales revenue	77 797	38 701	27 494	22 025
Own sales cost	64 320	32 652	22 655	19 980
Gross sales profit (loss)	13 477	6 049	4 839	2 045
Other operating revenue	9	57	8	11
Sales costs	10 370	4 548	3 899	972
General and administrative costs	2 970	4 044	2 164	2 945
Other operating costs	105	457	65	438
Restructuring costs	0	0	0	0
Operating profit (loss)	41	-2 943	-1 281	-2 299
Financial revenue	860	1 000	-18	487
Financial costs	569	1 920	533	-725
Profit (loss) before tax	332	-3 863	-1 832	-1 087

Income tax	71	-97	-470	168
Continued business activity profit (loss)	261	-3 766	-1 362	-1 255
Discontinued business activity	0	0	0	0
Discontinued business activity net profit (loss)	0	0	0	0
Net profit (loss)	261	-3 766	-1 362	-1 255
Net profit (loss) annualized	5 148	-838		
Profit (loss) per share				
Continued business activity:				
Ordinary	0,04	-0,52	-0,18	-0,09
Diluted	0,04	-0,51	-0,18	-0,09
Profit (loss) for the period	261	-3 766	-1 362	-1 255
Other comprehensive income				
Financial assets available for sale	-803		-803	
Cash flow hedge				
Actuarial profits (losses) due to retirement benefits				
Income tax regarding other comprehensive income	153		153	
Other net comprehensive income				
Total income for the period	-389	-3 766	-2 012	-1 255

Statement of ARCUS S.A. financial position

Assets	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
	PLN THOUSAND		
FIXED ASSETS			
Intangible Assets	494	532	412
Tangible fixed assets	1 175	3 362	1 319
Shares in subsidiaries	3 598	3 598	3 598
Financial assets available for sale	1 751	2 523	2 523
Long term receivables	553	534	248
Other long-term financial receivables	1 899		
Deferred income tax assets	1 213	317	434
	10 683	10 866	8 534
CURRENT ASSETS			
Inventory	22 562	17 597	22 911
Short term investments	3 853	2 803	1 574
Trade and other receivables	20 696	49 064	9 561
Income tax receivables (refunds)	265	0	0
Other short-term financial receivables	337		
Cash and its equivalents	31 899	19 793	35 241
	79 612	89 257	69 287
TOTAL ASSETS	90 295	100 123	77 821

Liabilities	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
	PLN THOUSAND		
Equity			
Share capital	740	740	730
Capital reserve from sale of shares at premium	37 631	37 631	37 631
Reserve Revaluation capital	-650	0	1
Other capital reserves	393	393	392
Reserve Capital	26 153	25 032	25 032
Hedging Transactions Revaluation Capital	0	0	0
Retained earnings	261	1 121	-3 766
	64 528	64 917	60 020
Long-term liabilities			
Provisions for deferred income tax	581	165	150
Provisions for liabilities	516	340	319
Other long-term liabilities	1 734	1 802	0
	2 831	2 307	469
Short-term liabilities			
Trade and other liabilities	20 870	31 504	16 140
Income tax liabilities	0	286	0
Provisions for liabilities	1 742	849	838
Other financial liabilities	0	0	0
	22 612	32 639	16 978
Other liabilities	324	260	354
TOTAL LIABILITIES	90 295	100 123	77 821

STATEMENT OF CHANGES IN EQUITY

For the period of 1 January 2010 – 30 June 2010

	Core Capital	Reserve Capital	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	TOTAL EQUITY
Status as at 1 January 2010	740	38 024	1 121	0	25 032	64 917	64 917
Changes in accounting principles	-	-	0	-	-	-	0
Increases	0	0	261	-	1 121	1 382	1 382
Shares issue	0	0	0	-	-	0	0
Purchase of the company	0	0	0	-	-	0	0
Current period's result	0	0	261	-	-	261	261
Profit distribution	-	-	-	-	1 121	-	1 121
Decreases	-	-	1 121	650	-	1 771	1 771
Current period's result	-	-	0	-	-	0	0
Profit distribution	-	-	1 121	-	-	1 121	1 121
Dividend payment	0	0	0	-	0	0	0
Value change	-	-	-	650	-	650	650
Status as at 30 June 2010	740	38 024	261	-650	26 153	64 528	64 528

For the period of 1 January 2009 – 3 June 2009

	Core Capital	Reserve Capital	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	TOTAL EQUITY
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	0	250	0		3 747	3 997	3 997
Shares issue	0	0	0			0	0
Purchase of the company	0	0	0			0	0
Current period's result	0	0	0			0	0
Decreases			7 762			7 762	7 762
Current period's result			3 766			3 766	3 766
Profit distribution			3 996			3 996	3 996
Dividend payment	0	0	0			0	0
Status as at 30 June 2009	730	38 023	-3 766	1	25 032	60 020	60 020

For the period of 1 January 2009 – 31 December 2009

	Core Capital	Reserve Capital	Retained Earnings	Revaluation Capital	Other Reserve Capital	Total	TOTAL EQUITY
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	1 121		3 747	5 129	5 129
Share issue	10	0	0			10	10
Profit allocation	0	251	0			251	251
Current period result	0	0	1 121			1 121	1 121
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 31 December 2009	740	38 024	1 121	0	25 032	64 917	64 917

Cash Flow Statement

Cash Flow Statement	1 January 2010 – 30 June 2010	1 January 2009 – 31 December 2009	1 January 2009 – 30 June 2009
	PLN THOUSAND		
Operating Activities			
Profit (Loss) before Tax	332	1 441	-3 863
Items Adjustments	12 456	-6 146	13 959
Depreciation	354	714	320
Currency Translation Differences	0	0	0
Interest Received	-779	-1 823	-994
Interest Paid	0	0	0
Dividend received	0	0	0
Profit (Loss) on Investment Activities	-3	-4	-5
Change in Inventories	-4 965	-1 679	-6 992
Change in accounts receivable	28 677	-4 492	35 569
Change in Liabilities and Reserves	-8 961	1 637	-13 518
Change in other Assets	-896	68	-361
Income Tax Paid	-949	-377	0
Other	-22	-190	-63
	12 788	-4 705	10 096
Investment Activities			
Inflows	305	4	2
Inflows proceeding from disposal of intangible assets and tangible fixed assets	3	4	2
Inflows from Financial Assets In Other Entities	302	0	0
Outflows	-1 678	-2 929	-1 441
Outflows regarding acquisition of tangible fixed assets	-469	-829	-441

Outflows regarding acquisition of financial assets	0	0	0
Other outflows	-1 209	-2 100	-1 000
	-1 373	-2 925	-1 439
Financial Activities			
Inflows	965	1 849	994
Inflows from share issue	0	10	0
Other financial inflows	0	1 839	932
From financial lease	105	0	0
Inflows from contracted credit and loans	0	0	62
Interests	860	0	0
Outflows	-274	-16	0
Repayment of credit and loans	0	0	0
Payment of liabilities arising from financial leases	-193	0	0
Interest Paid	-81	-16	0
Currency Translation Differences	0	0	0
	691	1 833	994
Change in Cash	12 106	-5 797	9 651
Balance Sheet Change in Cash	12 106	-5 797	9 651
Change in Cash preceding from Currency Translation Differences			
Cash at the period beginning	19 793	25 590	25 590
Cash at the period end	31 899	19 793	35 241

VII. ACCOUNTING PRINCIPLES – CONDENSED UNCONSOLIDATED (SEPARATE) FINANCIAL STATEMENT

Basis for financial information preparation

The presented unconsolidated (separate) financial statement has been prepared as at 30 June 2010. The comparable data cover the period of 1 January 2010 – 30 June 2010. ARCUS S.A. The Group's financial year is a calendar year.

The financial statement has been 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.

Statement of conformity

The presented financial statement for the period of 1 January 2010 – 30 June 2010 as well as comparable data for the period from 1 January 2009 to 30 June 2009 has been prepared in accordance with International Financial Reporting Standards (IFRS) approved by the European Union. In the condensed interim financial statement hereof the same accounting principles as those applied for the preparation of the consolidated financial statement of ARCUS Capital Group for the year 2009 were applied.

Corrections of fundamental errors, reasons for these errors, their titles and the influence of financial implications caused by errors on the financial position, liquidity, financial result and profitability.

There were no corrections of fundamental errors.

Changes to the applied accounting principles (policy) and the method of financial statement preparation as compared to previous financial year,

reasons for these changes, their titles and the influence of financial implications caused by mentioned changes on the financial position, liquidity, financial result and profitability.

In the first half of 2010, no changes had been made to applied accounting principles (policy) and the method of financial statement preparation.

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Wojciech Kruszyński – President of the Management Board

.....

Wiktor Różański – Vice-President of the Management Board

.....

Konrad Kowalczyk – Vice-President of the Management Board

.....

Prepared by: Grażyna Syrczyńska – Chief Accountant

Warsaw, 31 August 2010

VIII. HALF-YEARLY STATEMENT ON CAPITAL GROUP'S BUSINESS ACTIVITIES PERFORMED IN THE FIRST HALF OF 2010

Capital Group

ARCUS Capital Group was established on 29 July 2009 as a result of acquisition of 55% of shares of T-matic Systems Ltd. (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 Ltd. shares acquisition amounted to PLN 3,598,327.36. The acquisition of T-matic Systems Ltd. is settled with the use of 'purchase price' method.

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.

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 No 1776/2006). The company is recorded by the District Court for the Capital City of Warsaw (13th 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.

Changes in ARCUS Capital Group's structure during the first half of 2010

There were no changes in ARCUS Capital Group's structure during the first half of 2010.

Differences between financial results presented in the financial statement and 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 2010.

Shareholders holding at least 5% of total number of votes at the General Meeting of Shareholders

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 - as at the day of submitting the half-yearly report hereof and as at the day of financial statement for the first half of 2010 publication, was as follows:

Shareholder	Number of shares = Number of votes	Nominal value of shares held (PLN)	Share in capital = share in the total number of votes
MMR Invest S.a.r.l. (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) After the disposal of shares (current report No 10/2010), Mr. Marek Czeredys holds 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company that is Mr. Marek Czeredys:

- does not hold directly shares of ARCUS S.A. Company,
- holds indirectly through MMR 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company.

Shares held by managing and supervising persons

Shares and entitlements to shares held by managing and supervising persons as at the day of submitting the financial statement for the first half of 2010:

	Status as per 30 June 2010 and as per the date of half-yearly financial statement publication	
	Number of shares = Number of votes / Nominal value (PLN)	Share in capital (= share in the total number of votes)
Grażyna Syrczyńska - Proxy	2 901 / 290,1	0,04%

Shares and entitlements to shares held by managing and supervising persons as at the day of submitting the financial statement for the first quarter of 2010:

	Status as per the date of financial statement for the first quarter of 2010 publication	
	Number of shares = Number of votes / Nominal value (PLN)	Share in capital (= share in the total number of votes)
Marek Czeredys – Chairman of the Supervisory Board	4 300 000 / 430 000	58,15%
Grażyna Syrczyńska - Proxy	2 901 / 290,1	0,04%

On 25 February 2010 Mr. Marek Czeredys tendered his resignation as a Member of ARCUS Company's Supervisory Board. Currently Mr. Marek Czeredys holds through a subsidiary company – MMR Invest S.a.r.l. – 64,91% of the Company's shares.

According to the Company's knowledge, other Members of the Supervisory and Management Boards did not hold the shares of ARCUS S.A. as per 30 June 2010 and as per the date of the financial statement hereof preparation.

In the period between the date of submitting the previous interim financial statement and the date of the financial statement hereof publication, ARCUS S.A. Company did not receive any information concerning the change in number of shares held by managing and supervising persons.

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

In the first half of 2010, 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.

Transactions with related entities

In the first half of 2010, T-matic System Ltd. was the entity directly related to ARCUS S.A. (through the shares held).

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

- **INFORSYS S.A.** – the major shareholders of ARCUS S.A. are shareholders of INFORSYS S.A. company,
- **DOCUSOFT Ltd.** – one of the major shareholders of Docusoft Ltd. is a first degree relative of shareholders of ARCUS S.A. and INFORSYS S.A.,
- **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.
- **KOMA GPS** – Maciej Komorowski – Business of Maciej Komorowski, 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,
- **Energo-Zet Z. Zalewski** - Business of the first degree relative of one of T-matic Systems Ltd. Management Board's Members,

In the first half of 2010, ARCUS S.A. Capital Group's companies did not conclude any transactions with related entities under other than market conditions.

Granted sureties, credits, loans and guarantees

According to the loan agreement of 19 May 2010 ARCUS S.A. granted a loan to its subsidiary company – T-matic Systems Ltd. at the amount of PLN 1.500.000. Mentioned loan shall be used for financing the Borrower's development in the area of electricity reading devices. The loan shall be disbursed in three tranches:

- PLN 690.000 up to 30 June 2010 – the amount disbursed as at the balance sheet day,
- PLN 405.000 up to 30 September 2010 – the amount disbursed on 4 August 2010,
- PLN 405.000 up to 31 December 2010 – the amount not yet disbursed.

Interest rate of a loan amounts to 7,5% per annum. The collateral of a loan is a surety in kind for the liabilities of the Borrower arising from the mentioned loan agreement by the shareholder of the Borrower – T-Matic Systems Ltd. through establishing – for the benefit of ARCUS S.A. - a registered pledge on 213 shares held in the share capital of the Borrower.

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.

Information which according to the company is significant for the assessment of its human resources, property, financial situation, financial result and their changes as well as information important for the assessment of the possibility of the issuer to fulfill its liabilities

On 4 May 2010 an Annex to the perpetual cooperation agreement of 12 December 2003 with Kyocera Mita Europe B.V. with its registered office in Netherlands, had been signed. Signing of mentioned annex may be considered as the most significant event in the first half of 2010. In accordance with the provisions of aforementioned Annex, ARCUS S.A. Company shall be the exclusive distributor of Kyocera Mita multifunctional devices and printers in Poland. The

total estimated value of the agreement amounts to EUR 20 000 000 (net amount) which is equal to PLN 78 040 000 approximately. The agreement is of perpetual nature. Contractual penalties: no provisions concerning contractual penalties and compensation claims were determined. The Company published mentioned information in a current report No 20/2010.

On 1 June 2010 an agreement between ARCUS S.A. Company and Arval Service Lease Polska Ltd. with its registered office in Warsaw was concluded. The agreement provides the monitoring of a part of fleet managed by ARVAL, within 3 years, whereby each of the vehicles may be monitored for a period from 24 to 60 months. Mentioned agreement of estimated value amounting to PLN 13 000 000.00 (net) is based on the subscription system – ARCUS shall receive the subscription for each monitored vehicle. The Company published mentioned information in a current report No 23/2010. In case ARVAL is not complying with the obligations of timely payments due for ARCUS, as determined by the provisions of agreement, for at least 2 payment periods - ARCUS shall be entitled to terminate the agreement with immediate effect, providing that a written notice determining the additional 14-days deadline for violations removal and indicating the possibility of agreement termination with immediate effect, has been submitted to ARVAL. Other conditions of agreement comply with standards expected for the execution of such agreements. The agreement mentioned above meets the criteria of a significant agreement due to the fact that its total value exceeds 10% of Company's equity.

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 were 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 shall 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. 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 constitute the subject of above mentioned agreement. 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. Contractual penalties: 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 on 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 24,8% of share capital and 24,8% 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, was concluded outside the regulated market on the basis of contribution in kind agreement. 1 835 115 shares have 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 Member of ARCUS Supervisory Board. Mr. Marek Czeredys did not specify the reasons for his resignation.

In current reports No 7/2010 and No 8/2010 the Company informed that on 3 March 2010 received a notification which was submitted to the Company on the basis of Art. 69 of the Act on Public Offering and the conditions for introducing financial instruments to the organized trading system and on public companies of 29 July 2005 (Journal of Laws of 2009, No. 185, item 1439 as amended, hereinafter: 'Act on Public Offering'). Pursuant to the content of above mentioned notification, on 3 March 2010 Mr. Marek Czeredys and his son - Mr. Michał Czeredys received an information that on 25 February 2010 the ownership of shares which were the subject to the transaction of 11 February 2010 concluded with MMR Invest S.a.r.l. Company (hereinafter: 'MMR') with its registered office in Luxembourg, was transferred. Before the transfer of shares to MMR Company, Mr. Marek Czeredys and Mr. Michał Czeredys held jointly 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company. At the same time, due to the take-up of MMR Company's shares, on 11 February 2010 Mr. Marek Czeredys became a Dominant Entity of MMR. Currently, Mr. Czeredys holds 583 MMR Company's shares accounting for 67.24% of share capital and corresponding share in the total number of votes at the General Meeting of Luxembourgian Company. Therefore, due to the take-up of MMR (Invest S.a.r.l.) Company's shares and acquisition of ARCUS S.A. Company's shares by MMR, Mr. Marek Czeredys holds 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company. That means that Mr. Marek Czeredys:

- a) holds directly 2 464 885 ARCUS S.A. Company's shares accounting for 33.3% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company,
- b) holds indirectly through MMR 2 335 115 ARCUS S.A. Company's shares accounting for 31.6% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company.

MMR Company shall be the only subsidiary company of Mr. Marek Czeredys which holds the shares of ARCUS S.A. Company. There are no subsidiary companies of Mr. Michał Czeredys holding the shares of ARCUS S.A. Company. There are also no entities as referred to in Art. 87.1.3c of the Act on Public Offering.

In a current report No 9/2010 the Company informed that on 23 March 2010 received the information that as a result of Company's current statutory business activities performance, the sales of products included in Issuer's offer to WASKO S.A. amounted to PLN 8 273 125.00 (net) in the period between January 2010 and 23 March 2010. The invoice of 25 February 2010 for PLN 3 600 257.49 (net amount) for the delivery of computer networking equipment shall be recognized as the most significant invoice in above mentioned period. The sale was based on the order of 5 February 2010. Contractual penalties: Any provisions concerning contractual penalties were not determined.

In current reports No 10/2010 and No 11/2010 the Company on 29 March 2010 received a notification which was submitted to the Company on the basis of Art. 69 of the Act on Public Offering and the conditions for introducing financial instruments to the organized trading system and on public companies of 29 July 2005 (Journal of Laws of 2009, No. 185, item 1439 as amended, hereinafter: 'Act on Public Offering'). Pursuant to the content of above mentioned notification, on 29 March 2010 Mr. Marek Czeredys received information that on 25 March 2010 the ownership of 2 464 885 directly held by him shares of ARCUS S.A. Company (which accounts for 33.33% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company)

has been transferred. As a result of entering mentioned shares on the securities account of an acquirer – MMR Invest S.a.r.l. Company (hereinafter: 'MMR') with its registered office in Luxembourg – MMR Company shall be the subsidiary of Mr. Marek Czeredys. The ownership has been transferred on the basis of MMR Company's share capital increase agreement of 5 March 2010. Before the disposal of above mentioned shares, Mr. Marek Czeredys held 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company that is Mr. Marek Czeredys:

- a) held directly 2 464 885 ARCUS S.A. Company's shares accounting for 33.33% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company,
- b) held indirectly through MMR 2 335 115 ARCUS S.A. Company's shares accounting for 31.58% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company.

After the disposal of above mentioned shares, Mr. Marek Czeredys holds 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company that is Mr. Marek Czeredys:

- a) does not hold directly shares of ARCUS S.A. Company,
- b) holds indirectly through MMR 4 800 000 ARCUS S.A. Company's shares accounting for 64.91% of share capital and corresponding share in the total number of votes at the General Meeting of ARCUS S.A. Company.

MMR Company shall be the only subsidiary company of Mr. Marek Czeredys which holds the shares of ARCUS S.A. Company. There are no entities as referred to in Art. 87.1.3c of the Act on Public Offering.

In a current report No 12/2010 the Company informed about the content of Resolutions adopted on 30 March 2010 by the Extraordinary General Meeting of

ARCUS S.A. Company's Shareholders. On the basis of the Resolution No 3 and in accordance with the resignation of Mr. Czeredys from the function of the Member of the Supervisory Board, the Extraordinary General Meeting of Shareholders appointed Mr. Ryszard Barski to the composition of the Company's Supervisory Board (as the Company informed in a current report No 4/2010 of 25 February 2010). On the basis of the Resolution No 3 the Extraordinary General Meeting of Shareholders appointed Mrs. Elżbieta Niebisz as a Chairman of the Company's Supervisory Board.

In a current report No 16/2010 the Company informed that on 26 April 2010 received the information that as a result of Company's current statutory business activities performance, the value of turnover between the Issuer and TENEO Polska Ltd. (Zielonka, 140 Bankowa Street) amounted to PLN 7 868 654.00 (net) in the period between December 2009 and 26 April 2010. The invoice of 31 March 2010 for PLN 426 316.00 (net amount) for the sale of KYOCERA printers shall be recognized as the most significant invoice in above mentioned period. Other conditions of transaction comply with standards expected for the execution of such transactions.

Contractual penalties: Any provisions concerning contractual penalties were not determined.

In a current report No 17/2010 the Company informed that the Management Board of ARCUS S.A with its registered office in Warsaw, acting pursuant to Art. 399 Par. 1 of the Commercial Companies Code and in accordance with Par. 6 Title 3.2,3 of the Company's Articles of Association convened an Ordinary General Meeting of Shareholders ('OGM', 'Ordinary General Meeting') that was held on 27 May 2010 at 11.30 am in the Company's headquarters in Warsaw, at 2 Miła Street in the conference room No 9.

Agenda of the OGM:

1. Opening of the Ordinary General Meeting.
2. Election of the Chairman of the Ordinary General Meeting.

3. Statement that the Ordinary General Meeting has been properly convened and is able to adopt resolutions.
4. Approval of the Agenda.
5. Review and approval of the Supervisory Board's statement on the results of the assessment of Company's unconsolidated financial statement for the year ended 31 December 2009 and the Management Board's report on Company's activities in 2009.
6. Review and approval of the Supervisory Board's statement on the results of the assessment of Capital Group's consolidated financial statement for the year ended 31 December 2009 and the Management Board's report on Capital Group's activities in 2009.
7. Review and approval of the Supervisory Board's statement on the results of the assessment of the Management Board's proposal concerning the allocation of profit for the financial year 2009.
8. Review and approval of the Management Board's reports on Company's and Capital Group's activities in 2009.
9. Review and approval of the Supervisory Board's statement on the assessment of its activities in 2009.
10. Review and approval of the Supervisory Board's statement regarding the assessment of Company's and Capital Group's position in 2009.
11. Review and approval of Company's unconsolidated financial statement and Capital Group's consolidated financial statement for the financial year 2009.
12. Granting the members of the Management Board and Supervisory Board the acknowledgement of the fulfillment of their duties in 2009.
13. Adoption of a resolution concerning the allocation of profit for the financial year 2009.
14. Closing of the Ordinary General Meeting.

In a current report No 18/2010 of 30 April 2010 the Company published the content of Draft Resolutions that were discussed at the Ordinary General Meeting of Company's Shareholders held on 27 May 2010 as well as submitted other available materials associated with mentioned General Meeting, including:

- 1) Supervisory Board's statement on the assessment of its activities in 2009;
- 2) Supervisory Board's statement on the results of the assessment of Company's unconsolidated financial statement for the year ended 31 December 2009 and the Management Board's report on Company's activities in 2009;
- 3) Supervisory Board's statement on the results of the assessment of Capital Group's consolidated financial statement for the year ended 31 December 2009 and the Management Board's report on Capital Group's activities in 2009;
- 4) Supervisory Board's statement regarding the assessment of Company's position in 2009.
- 5) Supervisory Board's statement regarding the assessment of Capital Group's position in 2009.
- 6) Supervisory Board's statement on the results of the assessment of the Management Board's proposal concerning the allocation of profit for the financial year 2009.

In a current report No 21/2010 of 27 May 2010 the Company informed about the content of Resolutions adopted on 27 May 2010 by the Ordinary General Meeting of ARCUS S.A. Company's Shareholders. There were no objections with respect to the Ordinary General Meeting's Resolutions. The Ordinary General Meeting of Shareholders had considered all items of planned agenda.

In a current report No 24/2010 of 14 June 2010 the Company informed that on 14 June 2010 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 6 668 963.00 (net amount) in the period between 5 November 2009 and 14 June 2010. The invoice of 25 March 2010 for PLN 873 520.00 (net amount) shall be recognized as the most significant invoice in above mentioned period. The sale

transaction was based on a separate agreement of 5 January 2009 regarding the supply of software, licenses and consultancy services. Contractual penalties: In case of payment delays in relation to invoice payment dates, the commercial partner (PRAXIS S.A.) shall pay the statutory interests.

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 year-half:

- Completion of negotiations of projects for clients with whom the negotiations are being conducted for some time,
- 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 and conclusions of the relevant agreements which value may significantly influence revenues and results that are to be achieved in the next year-half,
- Increasing the number of orders for high-margin goods and services (particularly lease services and print outsourcing 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,
- Development of B2B direct and indirect sales channels. 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,
- Development of the Company's business activities in the area of integrated solutions through Arcus IT Systems,
- Development of services of high-added value e.g. Telematic services provided by T-matic Company (solutions for transport management),

- Realization (by T-matic) of projects in the area of electricity reading devices
- 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.
- Economic recovery in Poland associated with global financial crisis may negatively influence the demand for products offered by the Group. 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 that are being performed in a 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.

Risk factors

Business activity of ARCUS Capital Group is associated with both external and internal risk factors which may significantly influence the financial situation of the Company. Among significant risks, the following shall be mentioned:

- **risk associated with general macroeconomic situation** arising from the fact that demand for products offered by the Group is associated with economic growth rate influencing clients' propensity to engage in investments in IT solutions, which in turn, may negatively affect achieved revenues and generated profits,
- **risk associated with technological changes and new technologies development** – relatively short IT solutions' life cycle and associated need for monitoring technological changes as well as for adjusting the product portfolio to market's expectations which may negatively affect the generated profits,
- **risk associated with performing business activities on niche market** (document and correspondence management market) and possibility of emergence of competition may negatively affect achieved profits,
- **risk associated with dependence on suppliers** arising from the fact that some of system solutions offered by the Group are based on technological platforms supplied by external entities. The sale of external suppliers' goods forms the key source of Group's revenues. The termination of an agreement by one of the suppliers or changes of supply conditions may influence the decrease of Company's sales revenues and Company's financial result,
- **risk associated with dependence on recipients** arising from the fact that the Group sells offered products to relatively narrow group of customers whose business activity is connected with processing a significant amount of documents and correspondence. There is a risk that loss of some of the largest recipients may negatively influence the level of sales revenues as well as Group's financial result,

- ***risk associated with ARCUS S.A. business development strategy as regards the acquisitions*** arising from the fact that besides the limited implementation of new system solutions also the development of Company's competence through the acquisition of other IT sector entities forms one of the strategy elements of Company's future development. The Company currently analyses sectors and entities which, from the perspective of acquisition, seem attractive. In case of acquisition, there is a risk that economic effects of such transaction could be worse than planned and could not fit incurred costs. Other conditions fully or partially preventing the Company from executing the acquisition plan, are possible (which may result in slowdown of growth rate assumed by the Company while formulating the acquisition based development strategy),
- ***risk associated with the loss of key employees*** – the intellectual capital of Management and employees constitutes significant value of the Group. Loss of above mentioned personnel may negatively affect the effectiveness of business activities. The increased demand on employees on the market and the necessity of employees retention may force increases of remuneration and thus costs increase. The increased cost of employment may negatively affect the Group's financial results,
- ***foreign exchange risk associated*** with fluctuations of exchange rates relationships (EUR/PLN and USD/PLN). The Company 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.

The methods of risk management (including financial risk management) applied by the Group's companies shall not differ from risk management principles determined in the Group's financial statement for 2009.

The Company's Supervisory Board performs the functions of the Audit Committee. Due to the fact that ARCUS S.A. Company's Supervisory Board

consists of 5 persons, the members of the Supervisory Board assumed the functions of the Audit Committee in accordance with Art. 86.3 of an Act of 7 May 2009 on Auditors and their Self-Governing Body, entities authorized to audit the financial statements and on Public Supervision.

Risk associated with shares

The risk factors associated with shares shall not differ from those described in the financial statement for the year ended 31 December 2009.

Warsaw, 31 August 2010.

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Wojciech Kruszyński – President of the Management Board

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Konrad Kowalczyk – Vice-President of the Management Board

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Wiktor Różański – Vice-President of the Management Board



Warsaw, 31 August 2010

STATEMENT

The Management Board of ARCUS S.A. hereby declares that Mazars Audyt Ltd. with its registered office in Warsaw at 18 Piękna Street has been selected to review the condensed consolidated half-yearly financial statement of Arcus Capital Group and the condensed separate half-yearly financial statement of Arcus S.A. Company for the first half of 2010, in accordance with applicable law provisions. Mazars Audyt Ltd. as well as statutory auditors whose responsibility was to review the condensed consolidated half-yearly financial statement and the condensed separate half-yearly financial statement for the first half of 2010, satisfied the conditions for preparing impartial and independent auditor's opinion pursuant to applicable law provisions and professional standards.

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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 Kowalczyk – Vice-President of the Management Board



Warsaw, 31 August 2010

STATEMENT

The Management Board of ARCUS S.A. hereby declares that to the best of its knowledge, the condensed consolidated half-yearly financial statement as well as comparable data, have been prepared in accordance with applicable accounting rules and shall present fairly and clearly the financial result and all the information essential for the evaluation of the economic and financial position of the Issuer's Capital Group and the Company. The half-yearly report on the Activities of ARCUS S.A. Capital Group shall comprise a comprehensive view of development and achievements of the Issuer's Capital Group, including detailed description of fundamental risk.

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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 Kowalczyk – Vice-President of the Management Board

**OPINION OF THE INDEPENDENT CERTIFIED AUDITOR
ON THE REVIEW OF THE CONDENSED SEPARATE HALF-YEARLY
FINANCIAL STATEMENT OF ARCUS S.A. COMPANY
FOR THE PERIOD OF
1 JANUARY 2010 - 30 JUNE 2010**

For the Shareholders of ARCUS S.A.

We have reviewed the attached condensed separate half-yearly financial statement of ARCUS S.A. Company with its registered office in Warsaw, 2 Miła Street, consisting of:

1. **condensed interim half-yearly statement of ARCUS S.A. Company financial position** prepared as at 30 June 2010 with total assets and liabilities of **PLN 90,295,000**
2. **condensed interim half-yearly profit and loss account** for the period of 1 January 2010 – 30 June 2010, with a net profit of **PLN 261,000**
3. **condensed interim half-yearly statement of comprehensive income** for the period of 1 January 2010 – 30 June 2010, with total negative income of **PLN -389,000**
4. **condensed interim half-yearly statement on changes in equity** for the period of 1 January 2010 – 30 June 2010, disclosing a decrease in equity by **PLN 389,000**
5. **condensed interim half-yearly cash-flow statement** for the period of 1 January 2010 – 30 June 2010, disclosing an increase in cash by **PLN 12,106,000**
6. **additional information and explanations.**

The Management Board of the Company shall be responsible for the compliance of the attached condensed interim half-yearly financial statement with the International Accounting Standard 34 'Interim Financial Reporting' as approved by European Union and other applicable provisions.

Our responsibility was to review the financial statement hereof.

We have reviewed the financial statement in accordance with the provisions of the Accounting Act and the auditing standards established by the National Council of Statutory Auditors in Poland. The above mentioned standards shall oblige us to plan and conduct the review to the procedure ensuring that we obtain a reasonable assurance that the financial statement contains no significant irregularities.

The review was based mainly on the analysis of the data included in the condensed half-yearly financial statement, access to the booking records and use of the information obtained from the Management Board and the persons responsible for the finance and accounting matters of the Company.

The scope and method of the review of the financial statement is significantly different from audits being the basis of the opinion on the reliability, correctness and clarity of the annual financial statement, therefore we cannot express such an opinion in respect of the attached statement.

On the basis of the review conducted, we did not identify anything what could have prevented us from stating that the condensed interim financial statement was prepared in all material aspects in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' approved by European Union.

**On behalf of
Mazars Audyt Ltd. No 186
Warsaw, 18 Piękna Street**

Joanna POWICHROWSKA

Monika KACZOREK

**Key Certified Auditor
No 10126**

Partner

Warsaw, 31 August 2010

**OPINION OF THE INDEPENDENT CERTIFIED AUDITOR
ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM
HALF-YEARLY FINANCIAL STATEMENT OF ARCUS S.A. CAPITAL GROUP
FOR THE PERIOD OF
1 JANUARY 2010 - 30 JUNE 2010**

For the Shareholders of ARCUS S.A.

We have reviewed the attached condensed consolidated half-yearly financial statement of ARCUS S.A. Company with its registered office in Warsaw, 2 Miła Street, consisting of:

1. **condensed consolidated interim half-yearly statement of financial position** prepared as at 30 June 2010 with total assets and liabilities of **PLN 92,265,000**
2. **condensed consolidated interim half-yearly profit and loss account** for the period of 1 January 2010 – 30 June 2010, with a net loss of **PLN 873,000** (where the net loss attributable to shareholders of the dominant entity amounts to PLN 386,000)
3. **condensed consolidated interim half-yearly statement of comprehensive income** for the period of 1 January 2010 – 30 June 2010, with total negative income of **PLN -1,523,000**
4. **condensed interim half-yearly statement on changes in consolidated equity** for the period of 1 January 2010 – 30 June 2010, disclosing a decrease in equity by **PLN 1,472,000**
5. **condensed consolidated interim half-yearly cash-flow statement** for the period of 1 January 2010 – 30 June 2010, disclosing an increase in cash by **PLN 11,975,000**

6. additional information and explanations.

The Management Board of the Dominant Company shall be responsible for the compliance of the attached condensed consolidated interim half-yearly financial statement with the International Accounting Standard 34 'Interim Financial Reporting' as approved by European Union and other applicable provisions.

Our responsibility was to review the financial statement hereof.

We have reviewed the financial statement in accordance with the provisions of the Accounting Act and the auditing standards established by the National Council of Statutory Auditors in Poland. The above mentioned standards shall oblige us to plan and conduct the review to the procedure ensuring that we obtain a reasonable assurance that the financial statement contains no significant irregularities.

The review was based mainly on the analysis of the data included in the condensed half-yearly financial statement, access to the booking records and use of the information obtained from the Management Board and the persons responsible for the finance and accounting matters of the Capital Group.

The scope and method of the review of the financial statement is significantly different from audits being the basis of the opinion on the reliability, correctness and clarity of the annual financial statement, therefore we cannot express such an opinion in respect of the attached statement.

On the basis of the review conducted, we did not identify anything what could have prevented us from stating that the condensed consolidated interim financial statement was prepared in all material aspects in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' approved by European Union.

On behalf of
Mazars Audyt Ltd. No 186
Warsaw, 18 Piękna Street

Joanna POWICHROWSKA

Monika KACZOREK

Key Certified Auditor
No 10126

Partner

Warsaw, 31 August 2010