



## **ARCUS S.A. CAPITAL GROUP**

**[www.arcus.pl](http://www.arcus.pl)**

**CONSOLIDATED  
FINANCIAL STATEMENT  
FOR THE FOURTH QUARTER OF 2013  
ended 31 December 2013**

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

**Warsaw, 21 February 2014**

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 2013 (unaudited)	Year 2012	Year 2011	Year 2013 (unaudited)	Year 2012	Year 2011
	PLN THOUSAND			EUR THOUSAND		
I. Revenues from sales of products	299 238	184 816	160 382	71 061	44 282	38 739
II. Operating Profit (Loss)	2 993	-1 791	-7 632	711	-429	-1 843
III. Profit (Loss) Before Tax	3 132	-226	-8 055	744	-54	-1 946
IV. Net profit (loss) on consolidation	2 201	-397	-7 295	523	-95	-1 762
V. Net Profit (Loss) attributable to Dominant Company's shareholders	2 366	1 685	-6 206	562	404	-1 499
VI. EBITDA	5 228	370	-5 480	1 242	89	-1 324
VII. Comprehensive income	2 478	-566	-7 861	588	-136	-1 899
VIII. Comprehensive income attributable to Dominant Company's shareholders	2 643	1 516	-6 772	628	363	-1 636
IX. Net Operating Cash Flow	172	14 047	-36 370	41	3 366	-8 785
X. Net Investment Cash Flow	-5 612	-3 339	-4 761	-1 333	-800	-1 150
XI. Net Financial Cash Flow	61	-6 937	10 488	14	-1 662	2 533
XII. Change in Cash	-5 379	3 771	-30 643	-1 277	904	-7 402
<b>As at</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
	PLN THOUSAND			EUR THOUSAND		
XIII. Total Assets	114 910	97 787	135 739	27 708	23 919	30 732
XIV. Long-Term Liabilities	5 045	6 870	8 817	1 216	1 680	1 996
XV. Short-Term Liabilities	49 539	32 230	67 577	11 945	7 884	15 300
XVI. Equity	60 252	58 687	59 345	14 528	14 355	13 436

XVII. Equity attributable to Dominant Company's shareholders	61 630	61 367	59 943	14 861	15 011	13 572
XVIII. Share Capital	740	740	740	178	181	168
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)	0,32	0,23	-0,84	0,08	0,05	-0,20
XXI. Diluted profit (loss) per share attributable to the shareholders of a dominant entity (PLN/EUR)	0,32	0,23	-0,84	0,08	0,05	-0,20
XXII. Book value and diluted book value per Share attributable to Dominant Company's shareholders (PLN/EUR)	8,33	8,30	8,11	2,01	2,03	1,84

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

- For balance sheet items – 4.1472 - National Bank of Poland exchange rate applicable on 31 December 2013; 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,
- For the profit and loss account and cash flow statement items for the period of 12 months of 2013, 2012 and 2011 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 2013:  
EUR 1 = PLN 4.2110;
  - Average exchange rate between 1 January and 31 December 2012:  
EUR 1 = PLN 4.1736;

- o Average exchange rate between 1 January and 31 December 2011:  
EUR 1 = PLN 4.1401.

## II. CONSOLIDATED FINANCIAL STATEMENT OF ARCUS S.A. CAPITAL GROUP FOR THE FOURTH QUARTER OF 2013

### Consolidated statement of comprehensive income

Profit and loss account	Year 2013 (unaudited)	Year 2012	Year 2011	01.10- 31.12.2013	01.10- 31.12.2012	01.10- 31.12.2011
PLN THOUSAND						
<b>Continued activities</b>						
Sales revenue	299 238	184 816	160 382	89 623	74 840	79 438
Own sales cost	-260 423	-154 961	-133 243	-72 121	-65 096	-63 964
<b>Gross sales profit (loss)</b>	<b>38 815</b>	<b>29 855</b>	<b>27 139</b>	<b>17 502</b>	<b>9 744</b>	<b>15 474</b>
Other operating revenue	512	946	583	-399	322	724
Sales costs	-29 591	-23 907	-23 993	-9 252	-9 667	-8 560
General and administrative costs	-6 447	-7 280	-7 339	-2 271	-1 739	-2 319
Other operating costs	-296	-1 405	-4 022	283	-58	-1 946
<b>Operating profit (loss)</b>	<b>2 993</b>	<b>-1 791</b>	<b>-7 632</b>	<b>5 863</b>	<b>-1 282</b>	<b>3 373</b>
Financial revenue	1 460	2 213	715	245	194	152
Financial costs	-1 321	-648	-1 138	-235	-196	-1 071
<b>Profit (loss) before tax</b>	<b>3 132</b>	<b>-226</b>	<b>-8 055</b>	<b>5 873</b>	<b>-1 284</b>	<b>2 454</b>
Income tax	-931	-171	760	-1 093	372	-1 998
- Current tax	-399	-380	70	-386	-358	0
- Deferred tax	-532	209	690	-707	730	-1 998
<b>Net profit (loss) on continued activities</b>	<b>2 201</b>	<b>-397</b>	<b>-7 295</b>	<b>4 780</b>	<b>-912</b>	<b>456</b>
<b>Net profit (loss)</b>	<b>2 201</b>	<b>-397</b>	<b>-7 295</b>	<b>4 780</b>	<b>-912</b>	<b>456</b>
Attributable to:						
<b>Shareholders of a dominant company</b>	<b>2 366</b>	<b>1 685</b>	<b>-6 206</b>	<b>4 883</b>	<b>-45</b>	<b>564</b>

<b>Minority shareholders</b>	<b>-165</b>	<b>-2 082</b>	<b>-1 089</b>	<b>-103</b>	<b>-867</b>	<b>-108</b>
<b>EBITDA</b>	<b>5 228</b>	<b>370</b>	<b>-5 480</b>	<b>6 499</b>	<b>-799</b>	<b>4 035</b>
<b>Profit (loss) per share attributable to shareholders of the dominant company</b>						
<b>on continued activities</b>						
Ordinary	0,32	0,23	-0,84	0,66	-0,01	0,08
Diluted	0,32	0,23	-0,84	0,66	-0,01	0,08

<b>Statement of comprehensive income</b>	<b>Year 2013 (unaudited)</b>	<b>Year 2012</b>	<b>Year 2011</b>	<b>01.10-31.12.2013</b>	<b>01.10-31.12.2012</b>	<b>01.10-31.12.2011</b>
	PLN THOUSAND					
Net Profit (loss)	<b>2 201</b>	<b>-397</b>	<b>-7 295</b>	<b>4 780</b>	<b>-912</b>	<b>456</b>
Components of other comprehensive income:						
Financial Assets available for sale	342	-209	-699	27	-52	-189
Deferred Tax regarding other comprehensive income	-65	40	133	-5	10	36
Components of other comprehensive income - TOTAL	277	-169	-566	22	-42	-153
<b>Comprehensive income for the period</b>	<b>2 478</b>	<b>-566</b>	<b>-7 861</b>	<b>4 802</b>	<b>-954</b>	<b>303</b>
Comprehensive income for the period attributable to:						
Shareholders of a dominant company	<b>2 643</b>	<b>1 516</b>	<b>-6 772</b>	<b>4 905</b>	<b>-87</b>	<b>411</b>
Minority shareholders	-165	-2 082	-1 089	-103	-867	-108

Consolidated statement of financial position

Assets	As at 31 December 2013	As at 31 December 2012	As at 31 December 2012
	PLN THOUSAND		
<b>FIXED ASSETS</b>			
Intangible assets	4 770	4 704	4 561
Goodwill on consolidation	4 401	4 381	4 381
Tangible fixed assets	3 715	2 755	3 133
Financial assets available for sale	1 515	1 647	1 855
Long term receivables	8 061	8 366	10 275
Deferred income tax assets	3 847	4 270	3 443
<b>TOTAL</b>	<b>26 309</b>	<b>26 123</b>	<b>27 648</b>
<b>CURRENT ASSETS</b>			
Inventory	14 608	16 281	35 523
Trade and other receivables	64 105	40 116	61 072
Income Tax Receivables	0	0	0
Cash	9 888	15 267	11 496
<b>TOTAL</b>	<b>88 601</b>	<b>71 664</b>	<b>108 091</b>
<b>TOTAL ASSETS</b>	<b>114 910</b>	<b>97 787</b>	<b>135 739</b>

Liabilities	As at 31 December 2013	As at 31 December 2013	As at 31 December 2011
	PLN THOUSAND		
<b>Equity (attributable to the shareholders of the dominant company)</b>			
Share capital	740	740	740
Reserve Capital from sale of shares at premium	37 631	37 631	37 631
Revaluation capital	-458	-735	-566
Other capital reserves	143	143	143
Own shares	-273	-92	0
Retained earnings	23 847	23 680	21 995
<b>TOTAL</b>	<b>61 630</b>	<b>61 367</b>	<b>59 943</b>
<b>Non-controlling entities' share</b>	<b>-1 378</b>	<b>-2 680</b>	<b>-598</b>

<b>Total Equity</b>	<b>60 252</b>	<b>58 687</b>	<b>59 345</b>
<b>Long-term liabilities</b>			
Provision for deferred income tax	2 451	2 277	1 719
Provisions for liabilities	849	231	538
Other long-term liabilities	1 745	4 362	6 560
<b>TOTAL</b>	<b>5 045</b>	<b>6 870</b>	<b>8 817</b>
<b>Short-term liabilities</b>			
Short-term credits and loans	6 476	4 000	9 707
Trade and other liabilities	41 771	25 892	55 004
Income tax liabilities	338	224	70
Provisions for liabilities	954	2 114	2 796
<b>TOTAL</b>	<b>49 539</b>	<b>32 230</b>	<b>67 577</b>
<b>Other liabilities</b>	74	0	0
<b>TOTAL LIABILITIES</b>	<b>114 910</b>	<b>97 787</b>	<b>135 739</b>

### STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the period of 1 January 2013 – 31 December 2013

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		
<b>Status as at 1 January 2013</b>	<b>38 514</b>	<b>23 680</b>	<b>-735</b>	<b>-92</b>	<b>61 367</b>	<b>-2 680</b>	<b>58 687</b>
Net profit	0	2 366	0		2 366	-165	2 201
Share capital increase in a subsidiary (consolidation adjustment)		-1 467			-1 467	1 467	0
Financial assets available for sale adjusted for deferred tax	0	0	277		277	0	277
Attribution of a part of profit for 2012 for a		-732			-732		-732

dividend payment							
Purchase of own shares with a purpose of their redemption				-181	<b>-181</b>		<b>-181</b>
<b>Status as at 31 December 2013 (not audited)</b>	<b>38 514</b>	<b>23 847</b>	<b>-458</b>	<b>-273</b>	<b>61 630</b>	<b>-1 378</b>	<b>60 252</b>

For the period of 1 January 2012 – 31 December 2012

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

For the period of 1 January 2011 – 31 December 2011

	Equity attributable to dominant entity's shareholders						
PLN THOUSAND	Share Capital and capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Total	Minority Interest	TOTAL EQUITY	
<b>Status as at 1 January 2011</b>	<b>38 514</b>	<b>28 201</b>	<b>-224</b>	<b>66 491</b>	<b>92</b>	<b>66 583</b>	



<b>Purchase of shares</b>					<b>99</b>	<b>99</b>
<b>Share capital increase</b>					<b>300</b>	<b>300</b>
Net profit	0	-6 206	0	<b>-6 206</b>	<b>-1 089</b>	<b>-7 295</b>
Financial assets available for sale less deferred tax	0	0	-342	<b>-342</b>	<b>0</b>	<b>-342</b>
<b>Status as at 31 December 2011</b>	<b>38 514</b>	<b>21 995</b>	<b>-566</b>	<b>59 943</b>	<b>-598</b>	<b>59 345</b>

Consolidated cash flow statement

<b>Cash Flow Statement</b>	<b>1 January – 31 December 2013</b>	<b>1 January – 31 December 2013</b>	<b>1 January – 31 December 2011</b>
<b><i>Operating Activities</i></b>			
Profit (Loss) before Tax	3 132	-226	-8 054
Items' Adjustments	-2 960	14 273	-28 316
Depreciation	2 235	2 161	2 152
Interest received	321	-272	-381
Dividends received	-69	-107	-52
Profit (Loss) on Investment Activities	-87	-62	-33
Change in Inventories	1 672	19 242	-6 315
Change in receivables	-20 841	9 401	-41 726
Change in Liabilities and Reserves	13 600	-14 534	18 874
Change in other Assets	5	-1 429	-495
Income Tax Paid	-285	-226	-266
Other	489	99	-74
<b>Net cash on operating activities</b>	<b>172</b>	<b>14 047</b>	<b>-36 370</b>
<b><i>Investment Activities</i></b>			
<b>Inflows</b>	<b>216</b>	<b>180</b>	<b>184</b>
Inflows proceeding from disposal of intangible assets and tangible fixed assets	138	73	132
Dividends received	69	107	52
Interests	9		
<b>Outflows</b>	<b>-5 828</b>	<b>-3 519</b>	<b>-4 945</b>

Outflows for acquisition of tangible fixed assets	-5 808	-3 519	-4 945
Outflows for the purchase of financial assets	-20	0	0
Other	0	0	0
<b>Net cash on investment activities</b>	<b>-5 612</b>	<b>-3 339</b>	<b>-4 761</b>
<b><i>Financial Activities</i></b>			
<b>Inflows</b>	<b>7 047</b>	<b>4 478</b>	<b>10 650</b>
<b>Shares issue</b>	0	0	300
<b>Other financial inflows</b>	0	0	0
Inflows from contracted credit and loans	6 476	4 000	9 707
Interest	571	478	643
Payment of liabilities arising from financial leases	0	0	0
<b>Outflows</b>	<b>-6 986</b>	<b>-11 415</b>	<b>-162</b>
Purchase of shares	0	0	-10
Repayment of credit and loans	-4 865	-11 207	-2
Payment of liabilities arising from financial leases	-116	-11	-99
Dividend paid	-732	0	0
Interest Paid	-1 092	-105	-51
Purchase of own shares	-181	-92	0
<b>Net cash used for/received from financial activities</b>	<b>61</b>	<b>-6 937</b>	<b>10 488</b>
<b>Change in Cash</b>	<b>-5 379</b>	<b>3 771</b>	<b>-30 643</b>
<b>Cash at the beginning period</b>	<b>15 267</b>	<b>11 496</b>	<b>42 139</b>
<b>Cash at the end period</b>	<b>9 888</b>	<b>15 267</b>	<b>11 496</b>

### 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:	<a href="mailto:biuro@arcus.pl">biuro@arcus.pl</a>
www:	<a href="http://www.arcus.pl">www.arcus.pl</a>

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 (12<sup>th</sup> 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 2013, 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 2013 the composition of the Supervisory Board was as follows:

- Marek Czeredys - Chairman of the Supervisory Board;
- Jolanta Grus – Member of the Supervisory Board;
- Tomasz Pelc - 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 S.A. (hereinafter: 'T-Matic') – the subsidiary,
- Docusoft LLC (hereinafter: 'Docusoft') – the subsidiary,
- Durau LLC (hereinafter: 'Durau') – 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.

In January 2013, T-matic was transformed into a joint-stock company. In April 2013, ARCUS S.A. acquired 220 000 shares for the total amount of PLN 1 980 000 (cash settlement) and now holds 61% of votes and 65,6% of share capital of this company.

Company:	T-matic Systems S.A.
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:	<a href="http://www.t-matic.com.pl">www.t-matic.com.pl</a>
The percentage share in the share capital:	65,6%
The percentage share in the total number of votes:	61%

T-matic Systems S.A. 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 (12<sup>th</sup> 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 (12<sup>th</sup> 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 S.A. 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 LLC
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 LLC 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.

In November 2013, T-matic Systems S.A. created and acquired 100% new shares in Durau Sp. z o.o. (Limited Liability Company), which until January 2014 was under organization proceedings.

Company:	DURAU LLC
Registered office and address:	8-11 Św. Mikołaja Street, Bielsko-Biała
Telephone:	
Fax number:	
e-mail:	biuro@durau.pl
www:	www.durau.pl
The percentage share in the share capital:	100%
The percentage share in the total number of votes:	100%

Main scope of business activities of Durau LLC shall include commercial intermediation in trading in energy carriers and delivery of utilities, commercial services, development of the sales network, and furthermore, in accordance with Articles of Incorporation of the Company:

- sale of electronic and telecommunications equipment,
- telecommunications activities,
- activities in the field of business management, engineering, IT,
- technical research and analyzes.

**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 89 623 000 and were by 20% higher comparing to the same period of 2012. Incrementally for four quarters, consolidated revenues amounted to PLN 299 238 000

and were by 62% higher as compared to the corresponding period of 2012. After fourth quarter of 2013, the unconsolidated revenues equalled to PLN 86 135 000 which is by 19% higher comparing to the fourth quarter of 2012. Cumulatively, the unconsolidated revenues amounted to PLN 291 594 000 which constitutes a 62%-increase. Gross profit on sales was higher by 30% compared to 2012, but there has been a decrease in the average trade margins from 16% in 2012 to 13% in the current year. It was influenced by the increased number of mass contracts of lower margin.

The consolidated sales in the fourth quarter of 2013, consisted of the following inflows of operating segments:

- IT segment – revenues: PLN 206 515 000 (increase by 45%),
- Other services segment – revenues: PLN 11 068 000 (decrease by 17%),
- Telematics segment – revenues: PLN 3 815 000 (decrease by 12%),
- Telemetry segment (smart grid) – revenues: PLN 77 840 000 (increase by 223%).

In the fourth quarter of 2013, the consolidated operating costs amounted to PLN 35.822 thousand (increase by 13%). In the reporting period, the Group generated PLN 5.863 thousand of operating profit, compared to a loss of PLN 1.282 thousand in the fourth quarter of 2012. Cumulatively, it was respectively PLN 2.993 thousand of operating profit compared to a loss of PLN 1.791 thousand in the previous year. In the fourth quarter ARCUS S.A. recorded operating profit of PLN 5.760 thousand compared to PLN 929 thousand of profit a year earlier. Cumulatively, unconsolidated operating profit reached the amount of PLN 3.176 thousand compared to profit of PLN 3.253 thousand a year earlier.

The results achieved in the fourth quarter of 2013 by Capital Group's particular segments shall be as follows:

- IT segment – profit of PLN 7 008 000,
- Telematics segment – loss of PLN 3 971 000,
- Telemetry segment (smart grid) – profit of PLN 3 716 000,
- Other services segment – loss of PLN 1 921 000.



The core business segment within IT area, reported a decrease in results as compared with the same period of 2012. In the same period other services segment recorded the negative result. This is largely due to the difficult market situation, particularly low GDP growth in the first and the second quarter of 2013, which resulted in lower demand and growth of competitiveness on the market resulting in decrease of margins.

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.

Telematics segment recorded a negative result – such situation is primarily due to negative changes in the market. The main target group are transport and construction companies, which since 2 now years have been experiencing a deep crisis now. Some of this companies 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. 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.

The telemetry segment recorded a positive result, but it is below the Management Board’s expectations.

After consideration of the impact of the provisions on receivables, inventory, remunerations and deferred tax, in the fourth quarter of 2013 the Capital Group recorded the amount of PLN 4 883 000 of profit attributable to the shareholders of a dominant entity comparing to PLN 45 000 of loss a year earlier. Cumulatively it was respectively – PLN 2 366 000 of profit for the period of 1-4 Q 2013 and PLN 1 685 000 of profit in the corresponding period of 2012. In the fourth quarter of 2013, ARCUS S.A. achieved PLN 4 568 000 of unconsolidated net profit (PLN 951 000 of profit a year earlier), and cumulatively recorded PLN 2 487 000 of profit comparing to PLN 4 011 000 of profit for

four quarters of 2012. The table below presents the dynamics of consolidated results for the fourth quarter of 2013 compared with the corresponding period last year.

	1 January – 31 December 2013 (PLN THOUSAND)	1 January – 31 December 2012 (PLN THOUSAND)	CHANGE	1 October – 31 December 2013 (PLN THOUSAND)	1 October – 31 December 2013 (PLN THOUSAND)	CHANGE
Sales revenues	299 238	184 816	62%	89 623	74 840	20%
Own sales costs	-260 423	-154 961	68%	-72 121	-65 096	11%
<b>Gross profit (loss) on sales</b>	<b>38 815</b>	<b>29 855</b>	<b>30%</b>	<b>17 502</b>	<b>9 744</b>	<b>80%</b>
Other operating revenues	512	946	-46%	-399	322	
Sales costs	-29 591	-23 907	24%	-9 252	-9 667	-4%
General and administrative costs	-6 447	-7 280	-11%	-2 271	-1 739	31%
Other operating costs	-296	-1 405	-79%	283	58	
<b>Profit (loss) on operating activities</b>	<b>2 993</b>	<b>-1 791</b>		<b>5 863</b>	<b>-1 282</b>	
Financial revenues	1 460	2 213	-34%	245	194	26%
Financial costs	-1 321	-648	104%	-235	-196	20%
<b>Net profit (loss)</b>	<b>2 201</b>	<b>-397</b>		<b>4 780</b>	<b>-912</b>	
Attributable to:						
Dominant Company's shareholders	2 366	1 685	40%	4 883	-45	
Minority shareholders	-165	-2 082		-103	-867	
<b>EBITDA</b>	<b>5 228</b>	<b>370</b>	<b>1313%</b>	<b>6 499</b>	<b>-799</b>	

**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 2013, the current assets which accounted for 77% of the balance sheet total (73% a year earlier) were the major component of the Capital Group's equity. The working capital maintained at a level of PLN 39 000 000. The value of current assets amounted to PLN 88 600 000 comparing with PLN 71 600 000 a year earlier. The receivables at the amount of PLN 61 100 000 (increase by 60% year-to-year), then

inventory at the amount of PLN 14 600 000 (decrease by 10% year-to-year) and cash – PLN 9 900 000 (decrease by 35% 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 2013, the Capital Group used its own equity to finance the operating activities. The equity accounted for 52% of the balance sheet total (60% as at the end of 2012).

### 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 2013:

Employment status	Service staff	Warehouse staff	Sales staff	Management Board	Accounting Department Staff	Administration staff	TOTAL
<b>31 December 2012</b>	51	4	67	2	5	18	<b>147</b>
<b>31 December 2013</b>	53	4	70	2	6	21	<b>156</b>
<b>Change</b>	2	0	3	0	1	3	<b>9</b>
<b>Change %</b>	4%	0	4%	0	20%	17%	<b>6%</b>

In the fourth quarter of 2013, comparing to the corresponding period last year, the total employment in ARCUS S.A. increased from 147 to 156 persons (increase by 6%). The most significant increase was recorded in Trade Department (increase by 3 persons).

The employment of a subsidiary (T-matic) as at the end of the fourth quarter of 2013, 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 2012	9	1	6	2,5	2	4	24,5
31 December 2013	12	0	8	6	2	5	33
<b>Change</b>	3	-1	2	3,5	0	1	8,5
<b>Change %</b>	33%		33%	140%		25%	35%

In T-matic, in the fourth quarter of 2013, 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 2013, 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 2012	0		3		2	3	8
31 December 2013	1		6		1	2	10
<b>Change</b>	1		3		-1	-1	2
<b>Change %</b>	100%		100%		-50%	-33%	25%

In DocuSoft, in the fourth quarter of 2013 comparing to the same period a year earlier, the employment in IT Department increased.

### 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,
- 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.
- the Company and its subsidiary T-matic Systems S.A. a notification from the District Court for the City of Warsaw, 16<sup>th</sup> Commercial Division, on institution of conciliation proceedings and on summoning Arcus S.A. and T-matic System S.A. Consortium by Energa-Operator S.A. to a conciliation hearing as regards the payment to be executed by Consortium at the amount of PLN 21 513 481.31 and referring to the claims arising from contractual penalties concerning the contracts for the delivery and launching of the meter infrastructure covered by the following agreements: ZP/62/AZU/2011 of 9 September 2011, ZP/63/AZU/2011 of 26 August 2011, ZP/64/AZU/2011 of 26 August 2011 and ZP/66/AZU/2011 of 25 October 2011. The Company maintains a dialogue with a partner - Energa-Operator SA in order to establish the relevance of penalties. Upon a request of the parties the Court ordered a hearing to be held on 5 March 5 2014. The Company disclosed information in this regard in current reports no 36/2013 and 37/2013.

**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 2013. The comparable data cover the period of 1 January 2012 – 31 December 2012 and 1 January 2011 – 31 December 2011. ARCUS S.A. 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**

Below are new standards and amendments to the reporting periods beginning after 1 January 2013, and standards and interpretations not yet approved by the European Commission, which may affect the Issuer's records of economic events. So far there have been no changes in the accounting policy.

The following standards have not yet been applied by the Company in the preparation of this consolidated financial statement.

- a. 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,

- b. IFRS 10 "Consolidated Financial Statements" which replaces IAS 27 and SIC 12 and is applicable to annual periods beginning on or after 1 January 2014. 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,
- c. amendments to IFRS 10, IFRS 11 and IFRS 12 "Transitional Provisions", effective for periods beginning on or after 1 January 2014. In the EU standard is applicable for periods beginning on or after 1 January 2014,
- d. IFRS 11 "Joint ventures" applicable to annual periods beginning on or after 1 January 2014. 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". In the EU standard is applicable for periods beginning on or after 1 January 2014,
- e. IFRS 12 "Disclosure of Interests in Other Entities" applicable to annual periods beginning on 1 January 2014. IFRS 12 applies to entities having interest in a subsidiary, joint venture, an associate or an unconsolidated structured entity. In the EU standard is applicable for periods beginning on or after 1 January 2014,
- f. amendments to IAS 27 published as IAS 27 "Separate Financial Statements", applicable to annual periods beginning on or after 1 January 2013. In the EU standard is applicable for periods beginning on or after 1 January 2014,
- g. amendments to IAS 28 published as IAS 28 "Investments in Associates and Joint Ventures" applicable to annual periods beginning on or after 1 January 2014. In the EU standard is applicable for periods beginning on or after 1 January 2014,
- h. amendments to IAS 32 "Financial Instruments-Presentation: Offsetting Financial Assets and Financial Liabilities" effective for periods beginning on or after 1 January 2014,



- i. amendments to IFRS 10, IFRS 11 and IAS 27 "Investment Entities" effective for annual periods beginning on or after 1 January 2014. The changes have not yet been approved by the EU,
- j. amendments to IAS 36 "Disclosures regarding the recoverable amount of non-financial assets", effective for annual periods beginning on or after 1 January 2014 or later. The changes have not yet been approved by the EU,
- k. amendments to IAS 39 " Novation of Derivatives and Continuation of Hedge Accounting" effective for annual periods beginning on or after 1 January 2014. The changes have not yet been approved by the EU,
- l. IFRIC 21 "Public charges" governs the recognition of liabilities due to public charges other than income tax. The interpretation is effective for annual periods beginning on or after 1 January 2014. The interpretation has not yet been approved by the EU.

### **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 2013 (comparable data as at 31 December 2012). 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 three subsidiaries:

- T-matic Systems S.A. (acquired on 29 July 2008),
- DocuSoft Sp. z o.o. (acquired on 23 May 2011) and
- Durau Sp. z o.o. (incorporated on 25 November 2013).

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 condensed consolidated financial statement of the ARCUS 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.

Due to the immateriality of data, Durau Company has not been consolidated as at 31.12.2013, but recognized in the balance sheet of T-matic Systems S.A. at the acquisition price of the shares (PLN 20 000).

#### **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 2012. The condensed consolidated financial statement prepared as at 31 December 2013 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:

	<b>01.01-31.12.2013</b>	<b>01.01-31.12.2012</b>	<b>01.01-31.12.2011</b>
Revenues from sales of products	0	0	0
Revenues from sales of services	14 322	20 555	22 366
Revenues from sales of goods	284 916	164 261	138 016
Revenues from sales of materials			
<b>Sales revenues TOTAL, including:</b>	<b>299 238</b>	<b>184 816</b>	<b>160 382</b>
for related entities	854	5	600

	<b>01.01-31.12.2013</b>	<b>01.01-31.12.2012</b>	<b>01.01-31.12.2011</b>
Domestic sales	241 276	155 765	160 087
Sales to foreign customers	57 962	29 051	295
<b>Sales revenues total</b>	<b>299 238</b>	<b>184 816</b>	<b>160 382</b>

### Operating costs

	<b>01.01-31.12.2013</b>	<b>01.01-31.12.2012</b>	<b>01.01-31.12.2011</b>
Consumption of materials and energy	6 456	7 469	7 486
Third party services	16 844	16 067	15 961
Taxes and fees	980	904	958
Remuneration	16 348	15 650	15 666
Employee benefits	3 841	3 453	2 152
Amortisation	2 235	2 161	2 152
Other costs by type	1 259	1 639	1 175
Value of sold goods	248 348	138 578	118 381
<b>Operating costs - total</b>	<b>296 311</b>	<b>185 921</b>	<b>164 414</b>
Change in inventory, products and prepayments and accruals	-150	-227	-161
Costs of manufacturing products for the entity's own needs			
Sales costs	29 591	23 907	23 993
General and administrative costs	6 447	7 280	7 339
<b>Own sales cost</b>	<b>260 423</b>	<b>154 961</b>	<b>133 243</b>

### Other operating costs

	<b>01.01-31.12.2013</b>	<b>01.01-31.12.2012</b>	<b>01.01-31.12.2011</b>
Loss on sale of fixed assets	0	30	10
Costs of repairs of insured property	0	0	24
Liquidation of fixed assets	0	28	0
Donations	0	26	66
Revaluation of non-financial assets	73	465	3 641
Loss on property	0	0	21
Revaluation of financial assets	79	3	67
Costs of agreement's termination	0	419	0
Other	144	434	193
<b>TOTAL</b>	<b>296</b>	<b>1 405</b>	<b>4 022</b>

In 2013 an impairment loss on financial assets of value of PLN 73 thousand was created.

### 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.

Business activities of a subsidiary company – T-MATIC SYSTEMS S.A. are not subject to significant seasonality. The Company's revenues are generated from permanent and incidental contracts. The high share of incidental contracts in the sales of the Company, as well as variable period of their conclusion during the year, lead to differentiated level of sales achievable in the comparable periods of different years.

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 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,
- **Services segment** – servicing (maintenance services), ICT solutions integration services.

Business segments’ data for the period of 1 January 2013 – 31 December 2013:

	<b>IT segment</b>	<b>Telematics segment</b>	<b>Telemetry segment</b>	<b>Services segment</b>	<b>TOTAL</b>
Revenues	206 515	3 815	77 840	11 068	299 238
Sales to external clients	206 515	3 815	77 840	11 068	299 238
Segment’s revenues - total	206 515	3 815	77 840	11 068	299 238
<b>Segment’s result</b>	7 008	-3 971	3 716	-1 921	4 832
Costs not allocated	-	0		0	-1 839
Profit on operating activities	-	-		-	2 993
Net financial revenues	-	-		-	139
<b>Profit before tax</b>	-	-		-	3 132
Income tax	-	-		-	-931
Net profit for the financial year	-	-		-	2 201

<b>Assets and liabilities</b>					
Segment's assets	65 738	1 210	24 786	3 525	95 259
Assets not allocated	-	-		0	19 651
<b>Total assets</b>	65 738	1 210	24 786	3 525	<b>114 910</b>
Segment's liabilities	31 326	576	11 811	1 680	45 393
Liabilities not allocated	-	-			69 517
<b>Total liabilities</b>	31 326	576	11 811	1 680	<b>114 910</b>

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

	<b>IT segment</b>	<b>Telematics segment</b>	<b>Telemetry segment</b>	<b>Services segment</b>	<b>TOTAL</b>
Revenues	142 850	4 491	24 105	13 370	184 816
Sales to external clients	142 850	4 350	24 105	13 370	184 675
Segment's revenues - total	142 850	4 350	24 105	13 370	184 675
<b>Segment's result</b>	12 635	-771	581	-1 204	11 237
Costs not allocated	-	0		0	-13 028
Profit on operating activities				-	<b>-1 791</b>
Net financial revenues				-	1 565
<b>Profit before tax</b>				-	<b>-226</b>
Income tax				-	-171
Net profit for the financial year				-	<b>-397</b>
<b>Assets and liabilities</b>					
Segment's assets	55 502	1 442	9 370	5 766	72 080
Assets not allocated				0	25 677
<b>Total assets</b>	55 502	1 442	9 370	5 766	<b>97 757</b>
Segment's liabilities	25 100	652	4 238	2 607	32 597
Liabilities not allocated				-	65 160
<b>Total liabilities</b>	25 100	652	4 238	2 607	<b>97 757</b>

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

	<b>IT segment</b>	<b>Telematics segment</b>	<b>Telemetry segment</b>	<b>Other services segment</b>	<b>TOTAL</b>
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
<b>Segment's result</b>	7 150	332	-1 656	-2 787	3 039
Costs not allocated				0	-10 671
Profit on operating activities				-	<b>-7 632</b>
Net financial revenues				-	-423
<b>Profit before tax</b>				-	<b>-8 055</b>
Income tax				-	760
Net profit for the financial year				-	<b>-7 295</b>
<b>Assets and liabilities</b>					
Segment's assets	88 978	3 216	7 504	7 318	107 016
Assets not allocated				0	28 723
<b>Total assets</b>	88 978	3 216	7 504	7 318	<b>135 739</b>
Segment's liabilities	53 621	1 938	4 522	4 377	64 458
Liabilities not allocated				-	71 281
<b>Total liabilities</b>	18 264		1 745	499	<b>135 739</b>

### Profit per share

	01.01 - 31.12.2013	01.01 - 31.12.2012	01.01 - 31.12.2011
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)	2 366	1 685	-6 206
Net profit (loss) per share attributable to the shareholders of a dominant entity	0,32	0,23	-0,84
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 2013, 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:

	31.12.2013	31.12.2012	31.12.2011
Opening balance	4 270	3 443	1 986
Release	-4 270	-3 443	-1 986
Creation	3 847	4 270	3 443
Closing balance	3 847	4 270	3 443

Provision for deferred income tax:

	31.12.2013	31.12.2012	31.12.2011
Opening balance	2 277	1 719	1 059
Release	-2 277	-1 719	-1 059
Creation	2 451	2 277	1 719
Closing balance	2 451	2 277	1 719

The table below presents the changes in provisions for liabilities:

	31.12.2013	31.12.2012	31.12.2011
<b>Opening balance</b>	2 345	3 334	2 729
<b>Creation of the provision</b>	<b>1 380</b>	<b>2 450</b>	<b>783</b>
Provision for warranty repairs	865	1 926	508
Provision for retirement benefits	385	348	275
Other	130	176	0
<b>Use of provisions</b>	<b>879</b>	<b>2 125</b>	<b>160</b>



Provision for warranty repairs	650	2 100	160
Provision for retirement benefits	229	25	0
<b>Release of provisions</b>	<b>1 043</b>	<b>1 314</b>	<b>18</b>
Provision for warranty repairs	1 007	1 084	18
Provision for retirement benefits	36	230	0
<b>Closing balance</b>	<b>1 803</b>	<b>2 345</b>	<b>3 334</b>

The balance of provisions as at 31 December 2013 is presented in the table below:

	31.12.2013	31.12.2012	31.12.2011
Provision for warranty repairs	1 031	1 693	2 568
Provision for retirement benefits	772	652	766
Other	0	0	0
<b>TOTAL</b>	<b>1 803</b>	<b>2 345</b>	<b>3 334</b>
including:			
<b>Long-term part</b>	<b>849</b>	<b>231</b>	<b>538</b>
Provision for warranty repairs	231	28	5
Provision for retirement benefits	618	203	533
<b>Short-term part</b>	<b>954</b>	<b>2 114</b>	<b>2 796</b>
Provision for warranty repairs	800	1 665	2 563
Provision for retirement benefits	154	449	239
Other	0	0	0

### Dividends paid out or declared

In the reporting period ARCUS S.A. paid the dividend at the amount of PLN 0.10 per share in accordance with profit for the year 2012 distribution. On 21 June 2013, the company published current report No 24/2013 in this regard.

### Fixed assets

	31.12.2013	31.12.2012	31.12.2011
<b>Fixed assets</b>	<b>3 684</b>	<b>2 755</b>	<b>3 133</b>
Lands	0	0	0
Buildings and structures	402	0	0
Machinery and devices	1 123	767	895
Means of transport	940	741	826

Other	1 219	1 247	1 412
Fixed assets under construction	31	0	0
<b>Fixed tangible assets</b>	<b>3 715</b>	<b>2 755</b>	<b>3 133</b>

Change in fixed assets

Changes in fixed assets in the period of 1 January 2013 – 31 December 2013:

	<b>Buildings and structures</b>	<b>Machines and devices</b>	<b>Means of transport</b>	<b>Other</b>	<b>TOTAL</b>
Opening balance		<b>767</b>	<b>741</b>	<b>1 247</b>	<b>2 755</b>
Gross value					
As at 1 January 2013	0	2 343	1 249	3 447	7 039
Increases- Acquisition	409	1 565	503	2 698	5 175
Decreases – sales and liquidation	0	905	381	2 196	3 482
As at 31 December 2013	<b>409</b>	<b>3 003</b>	<b>1 371</b>	<b>3 949</b>	<b>8 732</b>
Redemption					
As at 1 January 2013	0	1 576	508	2 200	4 284
Increases - Amortization	7	502	248	604	1 361
Decreases - sales and liquidation	0	198	325	74	597
<b>As at 31 December 2013</b>	<b>7</b>	<b>1 880</b>	<b>431</b>	<b>2 730</b>	<b>5 048</b>
<b>NET as at 31 December 2013</b>	<b>402</b>	<b>1 123</b>	<b>940</b>	<b>1 219</b>	<b>3 684</b>

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

	<b>Buildings and structures</b>	<b>Machines and devices</b>	<b>Means of transport</b>	<b>Other</b>	<b>TOTAL</b>
Opening balance		<b>895</b>	<b>826</b>	<b>1 412</b>	<b>3 133</b>
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	<b>0</b>	<b>2 343</b>	<b>1 249</b>	<b>3 447</b>	<b>7 039</b>
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
<b>As at 31 December 2012</b>	<b>0</b>	<b>1 576</b>	<b>508</b>	<b>2 200</b>	<b>4 284</b>
<b>NET as at 31 December 2012</b>	<b>0</b>	<b>767</b>	<b>741</b>	<b>1 247</b>	<b>2 755</b>

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
<b>As at 31 December 2011</b>	<b>0</b>	<b>2 234</b>	<b>1 143</b>	<b>3 466</b>	<b>6 843</b>
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
<b>As at 31 December 2011</b>	<b>0</b>	<b>1 339</b>	<b>317</b>	<b>2 054</b>	<b>3 710</b>
<b>NET as at 31 December 2011</b>	<b>0</b>	<b>895</b>	<b>826</b>	<b>1 412</b>	<b>3 133</b>

### Off-balance-sheet fixed assets

	31.12.2013	31.12.2012	31.12.2011
On the basis of lease agreement	3 554	3 655	3 043
On the basis of tenancy agreement	44	0	15
<b>TOTAL</b>	<b>3 598</b>	<b>3 655</b>	<b>3 058</b>

### Inventory

	31.12.2013	31.12.2012	31.12.2011
Warehouse stocking	14 579	16 280	22 586
Advances for deliveries	29	1	12 937
<b>Total</b>	<b>14 608</b>	<b>16 281</b>	<b>35 523</b>

	31.12.2013	31.12.2012	31.12.2011
Gross inventory	14 971	16 606	39 181
Inventory write-off	-363	- 325	- 3 658
Net inventory - total	14 608	16 281	35 523

### Receivables

	31.12.2013	31.12.2012	31.12.2011
Trade and other receivables	64 483	40 446	61 275
Receivables write-off	- 378	- 330	- 203
<b>TOTAL</b>	<b>64 105</b>	<b>40 116</b>	<b>61 072</b>

### Cash

As at the end of the fourth quarter of 2013, ARCUS Group had PLN 9 888 000 of cash securing the financial liquidity.

	31.12.2013	31.12.2012	31.12.2011
Cash in hand	11	12	39
Cash at bank	1 085	333	807
Short-term deposits	8 792	14 922	10 650
<b>TOTAL</b>	<b>9 888</b>	<b>15 267</b>	<b>11 496</b>

### Available for sale Financial assets

	31.12.2013	31.12.2012	31.12.2011
Shares of listed entities	1 515	1 647	1 855
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 2013 share price amounted to PLN 4.37.

### 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%
ARCUS S.A.	75 157	7 515,70	1,02%
Others	2 520 000	252 000,00	34,07%
<b>TOTAL</b>	<b>7 395 157</b>	<b>739 515,70</b>	<b>100,00%</b>

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 was a change in the shareholding structure.

On 30 December 2013 the Company received a notification from Amplico TFI S.A. with information about the change in shareholding with regard to ARCUS S.A. shares on securities accounts managed by AMPLICO Towarzystwo Funduszy Inwestycyjnych S.A. with its registered office in Warsaw. As Amplico TFI S.A. reported, until 19 December 2013 - that is, until the sale of a portion of shares - Funds and the principals of Amplico TFI S.A. held - 396 926 shares of the Company representing 5.37% of the share capital

and 5.37% of the total number of votes at the General Meeting of the Company. After the transaction they held 356 120 shares of the Company - which represented 4.82% of the share capital of the Company and 4, 82% of the total number of votes at the General Meeting of the Company, thus the share of Amplico TFI SA did not exceed 5% of the share capital of Arcus S.A. The Company published current report No 38/2013 in this regard.

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 2013 the Company held 75 157 own shares. These shares account for 1.02% of the share capital and 1.02% 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 2013 publication:

	<b>As at 31 December 2013 and as at the day of the financial statement for the fourth quarter of 2013 publication</b>	
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 2013 and as per the date of the financial statement hereof preparation.

### Credits and loans

In the fourth quarter of 2013, the Group was not granted any loan or credit guarantees nor guarantees except for those described in the report hereof. As at 31 December 2013 the Company had an agreement of 10 July 1998 regarding a short-term working capital loan at the amount of PLN 7 500 000 signed with PeKaO Bank S.A. and extended with annexes for subsequent periods. 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. At the same time, ARCUS S.A. as at 31 December 2013 has credit lines granted in February and April 2012 by Kredyt Bank BZ WBK and BRE Bank at the amount of PLN 24 000 000 and PLN 25 000 000.

In the fourth quarter of 2013 any of the Group's companies' loan and credit agreements were not terminated.

#### Short-term bank credits and loans

	31.12.2013	31.12.2012	31.12.2011
Loans granted by related entities	0	0	0
Short-term credits	6 476	4 000	9 707
<b>TOTAL</b>	<b>6 476</b>	<b>4 000</b>	<b>9 707</b>

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

	31.12.2013	31.12.2012	31.12.2011
<b>For the benefit of other entities:</b>	<b>86 192</b>	<b>66 802</b>	<b>66 972</b>
1) Bill of exchange liabilities, including issued for:	58 677	39 155	38 452
a) Bank as credit collateral	7 500	4 000	4 000
b) Insurance companies due to performance bond granted	22 303	6 511	5 653
c) Insurance companies due to deposits guarantees	80	0	1 000
d) Bills of exchange payable in respect of import letters of credit	18 662	18 512	17 667
e) Liabilities due to lessor	10 132	10 132	10 132
2) Repossession of warehouses	7 000	7 000	16 000

3) Assignment Of Accounts Receivable	10 000	10 000	10 000
4) The pledge on TAURON shares in respect of import letters of credit	1 515	1 647	2 520

"Bill of exchange liabilities" item include mainly import letters of credit and insurance performance bond granted to ARCUS S.A. or deposit payment. The value of Bill of exchange contingent liabilities related to the insurance guarantees amounted to PLN 22 383 000 as at 31 December 2013.

### **Lease agreements**

ARCUS S.A. has 30 lease agreements for the total amount of PLN 8 400 000 concluded with four lease companies. Mentioned agreements regard the equipment which is leased to ARCUS S.A. company's 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 2013, T-matic System S.A. and DocuSoft Sp. z o.o. 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 2013:

- **ZAKŁAD DOŚWIADCZALNY INSTYTUTU ZOOTECHNIKI MEŁNO Sp. z o.o.** (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,
- **JK System Jacek Kaźmierczak** – Business of Jacek Kaźmierczak, the Member of T-matic Systems S.A. Management Board,
- **ADD Polska Limited Partnership** – limited partner indirectly controls a majority stake in Arcus S.A.,



- **ADD Polska Sp. z o.o.** – a shareholder of the company indirectly controls a majority stake in Arcus S.A.
- **Bluetech Civil Law Partnership G.Szyszka, A. Zalewski, G. Ziętek** – business of two former shareholders of T-matic Systems Sp. z o.o.
- **Business of Sebastian Kręć** – managing person in T-matic Systems S.A.,
- A shareholder of **SPA-Invest Sp. z o.o.** is a member of ARCUS S.A. Supervisory Board.

In the period of fourth quarters of 2013, 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
<b>2013</b>				
Kancelaria Wierzbowski i Wspólnicy	7		0	0
JK System	0	22	0	0
ZDIZ Mełno	0	23	0	0
SPA-Invest Sp. z o.o.	0	0	0	0
BLUTECH S.C. G. Szyszka, A. Zalewski, G. Ziętek	0	4	0	10
ADD Polska LLC, Limited Partnership	831	1 422		
ADD Polska LLC		24		
T-matic Systems S.A.	16		19	
DocuSoft LLC		16		19
Sebastian Kręć		282		
<b>TOTAL</b>	<b>854</b>	<b>1 796</b>	<b>19</b>	<b>29</b>
<b>2012</b>				
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
<b>TOTAL</b>	<b>6</b>	<b>23 461</b>	<b>5</b>	<b>196</b>
<b>2011</b>				
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	
<b>TOTAL</b>	<b>600</b>	<b>6 941</b>	<b>721</b>	<b>2 876</b>

### **Changes in the structure of a Group and dominant entity**

In the fourth quarter of 2012, there was a change in the structure of the Group - in November a subsidiary of T-matic Systems S.A., i.e. company Durau Sp. o.o. was established. Its initial capital amounted to PLN 20 thousand and consisted of 400 shares entirely owned by T-matic Systems S.A. In January 2014 the capital was increased to PLN 100 thousand and was acquired by T-matic. The company aims to expand sales structures associated with energy carriers and intermediation in respect of conclusion of contracts for the supply of utilities.

### **Previously published forecasts**

The Management Board of ARCUS S.A. did not publish forecasts regarding the financial results of ARCUS Group and ARCUS S.A. Dominant Company for the year 2013.

### **Issue, redemption and repayment of debt and equity securities**

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 2013 the Company held 75 157 own shares. These shares account for 1.02% of the share capital and 1.02% of the total numbers of votes at the General Meeting.

In accordance with the Resolution No 12 of the Ordinary General Meeting of ARCUS S.A. Shareholders of 20 June 2013, on 28 October 2013 a motion was filed with a District Court for the City of Warsaw (12<sup>th</sup> Commercial Division of the National Court Register) as regards redemption of 75 157 own shares of the Company of nominal value amounting to

PLN 0.10 each, acquired by the Company within share buy-back program (current report No 34/2013 of 29 October 2013).

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

In the fourth quarter of 2013, 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 Energa-Operator S.A. described on page 22.

**Granted sureties, credits, loans and guarantees**

In the fourth quarter of 2013, 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.

The interim condensed consolidated financial statement hereof was approved for publication and signed by the Management Board of a dominant entity on 21 February 2014. 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 21 February 2014).

.....  
Michał Czeredys – President of the Management Board

.....  
Marek Mulan – Vice-President of the Management Board

.....  
Prepared by: Grażyna Syrczyńska – Chief Accountant

**Warsaw, 21 February 2014**

**VI. UNCONSOLIDATED FINANCIAL STATEMENT OF ARCUS S.A. FOR THE FOURTH QUARTER OF 2013**

Condensed unconsolidated financial statement of ARCUS S.A. for the fourth quarter of 2013 prepared in accordance with the International Financial Reporting Standards.

Selected financial data of ARCUS S.A.

Selected Financial Data	Year 2013 (unaudited)	Year 2012	Year 2011	Year 2013 (unaudited)	Year 2012	Year 2011
	PLN THOUSAND			EUR THOUSAND		
I. Revenues from sales of products	291 594	180 408	153 235	69 246	43 226	37 012
II. Operating Profit (Loss)	3 176	3 253	-5 422	754	779	-1 310
III. Profit (Loss) Before Tax	3 565	5 286	-5 338	847	1 267	-1 289
IV. Net profit (loss)	2 487	4 011	-5 067	591	961	-1 224
EBITDA	4 842	-3 807	1 163	1 160	-919	
V. Comprehensive income	2 210	3 842	-5 633	525	921	-1 361
VI. Net Operating Cash Flow	850	9 758	-35 742	202	2 338	-8 633
VII. Net Investment Cash Flow	-5 758	198	-4 500	-1 367	47	-1 087
VIII. Net Financial Cash Flow	-335	-4 753	7 930	-80	-1 139	1 915
IX. Change in Cash	-5 243	5 203	-32 312	-1 245	1 247	-7 805
X. Profit (loss) per share	0,34	0,54	-0,69	0,08	0,13	-0,17
<b>As at</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>	<b>31 December 2013</b>	<b>31 December 2012</b>	<b>31 December 2011</b>
	PLN THOUSAND			EUR THOUSAND		
XI. Total Assets	119 719	100 245	132 196	28 867	24 521	29 930
XII. Long-Term Liabilities	4 276	4 883	5 814	1 031	1 194	1 316
XIII. Short-Term Liabilities	48 303	30 073	64 843	11 647	7 356	14 681
XIV. Equity	67 140	65 289	61 539	16 189	15 970	13 933
XV. Share Capital	740	740	740	178	181	168
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	9,08	8,83	8,32	2,19	2,16	1,88

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

- For balance sheet items – 4.1472 - National Bank of Poland exchange rate applicable on 31 December 2013; 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,
- For the profit and loss account and cash flow statement items for the period of 12 months of 2013, 2012 and 2011 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 2013:  
EUR 1 = PLN 4.2110;
  - 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.

**ARCUS S.A. statement of comprehensive income**

Profit and loss account	Year 2013 (unaudited)	Year 2012	Year 2011	01.10- 31.12.2013	01.10- 31.12.2012	01.10- 31.12.2011
PLN THOUSAND						
<b>Continued activities</b>						
Sales revenue	291 594	180 408	153 235	86 135	72 316	75 504
Own sales cost	-259 070	-150 510	-127 233	-70 887	-61 489	-61 043
<b>Gross sales profit (loss)</b>	<b>32 524</b>	<b>29 898</b>	<b>26 002</b>	<b>15 248</b>	<b>10 827</b>	<b>14 461</b>
Other operating revenue	380	755	215	-446	245	560
Sales costs	-24 528	-21 344	-22 329	-7 568	-9 048	-8 437

General and administrative costs	-4 993	-5 638	-5 435	-1 786	-1 251	-1 608
Other operating costs	-207	-418	-3 875	312	156	-1 806
<b>Operating profit (loss)</b>	<b>3 176</b>	<b>3 253</b>	<b>-5 422</b>	<b>5 760</b>	<b>929</b>	<b>3 170</b>
Financial revenue	1 407	2 202	1 047	331	192	-132
Financial costs	-1 018	-169	-963	-272	27	-639
<b>Profit (loss) before tax</b>	<b>3 565</b>	<b>5 286</b>	<b>-5 338</b>	<b>5 819</b>	<b>1 148</b>	<b>2 399</b>
Income tax	-1 078	-1 275	271	-1 251	-197	-2 082
- Current tax	-386	-380	-70	-373	-358	-70
- Deferred tax	-692	-895	341	-878	161	-2 012
<b>Net profit (loss) on continued activities</b>	<b>2 487</b>	<b>4 011</b>	<b>-5 067</b>	<b>4 568</b>	<b>951</b>	<b>317</b>
<b>Net profit (loss)</b>	<b>2 487</b>	<b>4 011</b>	<b>-5 067</b>	<b>4 568</b>	<b>951</b>	<b>317</b>
<b>Profit (loss) per share on continued activities</b>						
Ordinary and diluted	0,34	0,54	-0,69	0,62	0,13	0,04

<b>Statement of comprehensive income</b>	<b>Year 2013 (unaudited)</b>	<b>Year 2012</b>	<b>Year 2011</b>	<b>01.10-31.12.2013</b>	<b>01.10-31.12.2012</b>	<b>01.10-31.12.2011</b>
	PLN THOUSAND					
Net Profit (loss)	2 487	4 011	-5 067	4 568	951	317
Components of other comprehensive income:						
Financial Assets available for sale	-342	-209	-699	-27	-52	-189
Deferred Tax regarding other comprehensive income	65	40	133	5	10	36
Other net comprehensive income	-277	-169	-566	-22	-42	-153
<b>Comprehensive income for the period</b>	<b>2 210</b>	<b>3 842</b>	<b>-5 633</b>	<b>4 546</b>	<b>909</b>	<b>164</b>
Comprehensive income per share (ordinary and diluted)	0,30	0,52	-0,76	0,61	0,12	0,02

ARCUS S.A. statement of financial position

Assets	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
PLN THOUSAND			
<b>FIXED ASSETS</b>			
Fixed tangible assets	3 162	2 642	2 951
Intangible assets	1 841	2 132	1 949
Shares in subsidiaries	7 955	5 975	5 975
Financial assets available for sale	1 515	1 647	1 855
Long term receivables	8 062	8 366	10 268
Deferred income tax assets	1 274	1 602	2 391
<b>TOTAL</b>	<b>23 809</b>	<b>22 364</b>	<b>25 389</b>
<b>CURRENT ASSETS</b>			
Inventory	13 265	14 898	34 241
Short-term investments	2 566	1 695	5 702
Trade and other receivables	70 956	46 922	57 701
Cash	9 123	14 366	9 163
<b>TOTAL</b>	<b>95 910</b>	<b>77 881</b>	<b>106 807</b>
<b>TOTAL ASSETS</b>	<b>119 719</b>	<b>100 245</b>	<b>132 196</b>

Liabilities	As at 31 December 2013	As at 31 December 2012	As at 31 December 2011
PLN THOUSAND			
<b>Equity</b>			
Share capital	740	740	740
Reserve Capital from sale of shares at premium	38 024	38 024	38 024
Revaluation capital	-458	-735	-566
Own shares	-273	-92	0
Retained earnings	29 107	27 343	23 341
<b>TOTAL</b>	<b>67 140</b>	<b>65 289</b>	<b>61 539</b>
<b>Long-term liabilities</b>			
Provision for deferred income tax	1 890	1 473	1 427
Provisions for liabilities	844	228	412
Other long-term liabilities	1 542	3 182	3 975

<b>TOTAL</b>	<b>4 276</b>	<b>4 883</b>	<b>5 814</b>
<b>Short-term liabilities</b>			
Trade and other liabilities	40 853	24 088	52 306
Income tax liabilities	338	224	70
Provisions for liabilities	636	1 761	2 760
Other financial liabilities – credits	6 476	4 000	9 707
Accruals	0	0	0
<b>TOTAL</b>	<b>48 303</b>	<b>30 073</b>	<b>64 843</b>
<b>TOTAL LIABILITIES</b>	<b>119 719</b>	<b>100 245</b>	<b>132 196</b>

### STATEMENT OF CHANGES IN EQUITY

For the period of 1 January 2013 – 31 December 2013

(not audited)

	Core Capital	Capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Own shares	Total
<b>Status as at 1 January 2013</b>	<b>740</b>	<b>38 024</b>	<b>27 352</b>	<b>-735</b>	<b>-92</b>	<b>65 289</b>
Retained earnings			29 140			
Loss of 2011 according to GM Resolution			-1 788			
Net profit			2 487			2 487
Part of 2012 profit allocated for dividend payment			-732			-732
Purchase of own shares				-181		-181
Income tax adjusted financial assets available for sale			227			227
<b>Status as at 31 December 2013</b>	<b>740</b>	<b>38 024</b>	<b>29 107</b>	<b>-458</b>	<b>-273</b>	<b>67 140</b>



For the period of 1 January 2012 – 31 December 2012

	Core Capital	Capital from sale of shares at premium	Retained Earnings	Revaluation Capital	Own shares	Total
<b>Status as at 1 January 2012</b>	<b>740</b>	<b>38 024</b>	<b>23 341</b>	<b>-566</b>	<b>0</b>	<b>61 539</b>
Net profit	0	0	4 011	0		<b>4 011</b>
Income tax adjusted financial assets available for sale				-169		-169
Purchase of own shares					-92	-92
<b>Status as at 31 December 2012</b>	<b>740</b>	<b>38 024</b>	<b>27 352</b>	<b>-735</b>	<b>-92</b>	<b>65 289</b>

For the period of 1 January 2011 – 31 December 2011

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

## Cash Flow Statement

	01.01-31.12.2013	01.01-31.12.2012	01.01 - 31.12.2011
<b>Operating Activities</b>			
Profit (Loss) before Tax	3 565	5 286	-5 338
Items Adjustments	-2 715	4 472	-30 404
Depreciation	1 721	1 589	1 260
Interest Received	100	-405	-964
Dividends received	-69	-107	-52
Profit (Loss) on Investment Activities	-17	-73	3
Change in Inventories	1 632	19 343	-6 055
Change in accounts receivable	20 895	14 452	-21 377
Change in Liabilities and Reserves	14 617	-30 196	-2 981
Change in other Assets	0	0	0
Income Tax Paid	-286	-226	-266
Other	482	95	28
<b>Total</b>	<b>850</b>	<b>9 758</b>	<b>-35 742</b>
<b>Investment Activities</b>			
<b>Inflows</b>	86	5 048	58
Inflows proceeding from disposal of intangible assets and tangible fixed assets	17	73	-3
Repayment of loans by related entities	0	4 868	9
Dividends received	69	107	52
<b>Outflows</b>	-5 844	-4 850	-4 558
Outflows regarding acquisition of tangible fixed assets	-5 844	-3 350	-4 458
Loans granted to related entities	-1 000	-1 500	-100
Other outflows	0	0	0
<b>Total</b>	<b>-5 758</b>	<b>198</b>	<b>-4 500</b>
<b>Financial Activities</b>			
<b>Inflows</b>	7 100	5 085	10 350
Interests received	624	1 085	643

Inflows from credits and loans	6 476	4 000	9 707
<b>Outflows</b>	-7 435	-9 838	-2 420
Acquisition of shares	0	0	-2 010
Dividend payment	-732	0	0
Share capital increase in related entity	-1 980	0	-367
Repayment of loans and credits	-4 000	-9 707	0
Interest Paid	-542	-39	-43
Own shares purchase	-181	-92	0
	<b>-335</b>	<b>-4 753</b>	<b>7 930</b>
<b>Change in Cash</b>			
<b>Balance sheet change in cash, including:</b>	<b>-5 243</b>	<b>5 203</b>	<b>-32 312</b>
Cash at the period beginning	14 366	9 163	41 475
<b>Cash at the period end</b>	<b>9 123</b>	<b>14 366</b>	<b>9 163</b>

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Michał Czeredys – President of the Management Board

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Marek Mula – Vice-President of the Management Board

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Prepared by: Grażyna Syrczyńska – Chief Accountant

Warsaw, 21 February 2014