

# REPORT

for Quarter 3 of 2006

Presented in compliance with the International  
Financial Reporting Standards

14 June 2007

## Introduction

This consolidated quarterly report of ACTION S.A. for the third quarter of 2006 ("Report") comprises the following:

- an abbreviated consolidated financial report as of 30 April 2007 as well as for the 3-month period ending on 30 April 2007, prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- an abbreviated individual financial statement as of 30 April 2007 as well as for a 3-month period ending on 30 April 2007, prepared in accordance with the Accounting Act;
- additional information to supplement the abbreviated consolidated financial report and other information required by the Ordinance of the Minister of Finance of 19 October 2005 on current and periodical information published by issuers of securities.

Pursuant to section § 87 point 1 of the Ordinance of the Minister of Finance of 19 October 2005, ACTION S.A. does not publish a separate quarterly individual report; this quarterly individual report of ACTION S.A. complements the consolidated quarterly report of ACTION S.A.

## I. Abbreviated quarterly financial statement as of April 30, 2007 and for the period of 3 months ended on April 30, 2007, prepared in compliance with International Financial Reporting Standards

### I.1. Selected financial data – consolidated statement

SELECTED CONSOLIDATED FINANCIAL DATA	in PLN M		in EUR M	
	Q3 incrementally (current year) period from 01 Aug 2006 to 30 Apr 2007	Q3 incrementally (previous year) from 01 Aug 2005 to 30 Apr 2006	Q3 incrementally (current year) period from 01 Aug 2006 to 30 Apr 2007	Q3 incrementally (previous year) from 01 Aug 2005 to 30 Apr 2006
I. Net sales revenue (on sales of finished goods, goods and materials)	1 374 529	1 129 154	353 831	289 267
II. Operating profit (loss)	20 319	20 807	5 231	5 330
III. Gross profit (loss)	18 916	17 318	4 869	4 437
IV. Net profit (loss) due to company Shareholders	13 909	12 879	3 580	3 299
V. Net cash flows from operating activities	-5 446	4 686	-1 402	1 200
VI. Net cash flows from investing activities	-26 769	-3 797	-6 891	-973
VII. Net cash flows from financial activities	34 358	-564	8 844	-144
VIII. Net increase (decrease) of cash	2 143	325	552	83
IX. Total assets	402 470	280 112	106 251	72 306
X. Liabilities	272 612	209 969	71 969	54 200
XI. Long-term liabilities	389	0	103	0
XII. Short-term liabilities	272 223	209 969	71 866	54 200
XIII. Equity due to shareholders of the Company	127 411	67 877	33 636	17 521
XIV. Share capital	1 641	1 191	433	307
XV. Number of shares *	16 410 000	1 191 000	16 410 000	1 191 000
XVI. Earnings (loss) per share of common stock **(in PLN / EUR)	0.85	10.81	0.22	2.77
XVII. Book value of one share *** (in PLN / EUR)	7.76	56.99	2.05	14.71

(\*)The number of shares allows for the change in nominal value of series A shares from 1 PLN to 0.10 PLN occasioned by the division of each 1 PLN share into 10 shares of a nominal value of 0.10 PLN each. The change was made on 11 April 2006 by resolution of the Extraordinary General Meeting of Shareholders.

(\*\*) Profit/loss per ordinary share is the quotient of Net profit/loss and the Number of shares.

(\*\*\*) Book value per share was calculated as the quotient of Equity capital and the Number of shares.

The selected financial data presented in the financial statements has been converted into euro as follows:

- the items related to the profit-loss account and the cash flow statement have been calculated using the exchange rate obtained as the arithmetic mean of the average exchange rates announced by the National Bank of Poland (NBP) as of the last day of each month of the quarter. For the third quarter of 2006, that exchange rate was equal to EUR 1.00 = PLN 3.8847, and for the third quarter of 2005: EUR 1.00 = PLN 3.9035;
- the balance sheet items have been calculated using the average exchange rate announced by NBP as of the balance issue date. On 30 April 2007, that rate was EUR 1.00 = PLN 3.7879; on 30 April 2006, EUR 1.00 was equal to PLN 3.8740.

## I.2. Consolidated balance sheet statement

	As of 30 Apr 2007 end of quarter (current year)	As of 31 Jan 2007 end of quarter (current year)	As of 30 Apr 2006 end of quarter (previous year)	As of 31 Jan 2006 end of quarter (previous year)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible fixed assets	60 194	54 184	41 367	41 344
Intangible assets	25 003	20 968	9 010	9 760
Investment real estate	925	919	0	0
Long-term investments	7	7	74	74
Deferred tax assets	400	1 843	216	460
Trade receivables and other receivables	877	866	0	0
	<b>87 406</b>	<b>78 787</b>	<b>50 667</b>	<b>51 638</b>
<b>Current assets</b>				
Inventory	141 515	169 463	86 894	104 396
Trade receivables and other receivables	163 894	168 645	138 135	155 899
Derivative financial instruments	0	496	0	0
Cash and cash equivalents	9 655	45 848	4 416	14 585
	<b>315 064</b>	<b>384 452</b>	<b>229 445</b>	<b>274 880</b>
<b>Total assets</b>	<b>402 470</b>	<b>463 239</b>	<b>280 112</b>	<b>326 518</b>
<b>EQUITY CAPITAL</b>				
<b>Equity due to shareholders of the Company</b>				
Share capital	1 641	1 641	1 191	1 191
Surplus from the sale of shares above nominal value	55 745	55 745	4 695	4 695
Retained profit	70 025	60 956	61 991	66 843
	<b>127 411</b>	<b>118 342</b>	<b>67 877</b>	<b>72 729</b>
<b>Minority shares</b>	<b>2 447</b>	<b>3 006</b>	<b>2 266</b>	<b>2 312</b>
<b>Total equity capital</b>	<b>129 858</b>	<b>121 348</b>	<b>70 143</b>	<b>75 041</b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
<b>Loans and credits</b>				
	0	0	0	0
Trade liabilities and other	372	276	0	10
Employee benefit liabilities	17	15	0	0
	<b>389</b>	<b>291</b>	<b>0</b>	<b>10</b>
<b>Short-term liabilities</b>				
Trade liabilities and other	216 117	282 905	156 066	197 745
Loans and credits and other financial obligations	49 774	54 957	52 725	53 540
Derivative financial instruments	2 753	0	0	0
Employee benefit liabilities	780	780	95	0
Reserves for remaining obligations and other charges	2 336	2 790	50	106
Deferred tax reserves	463	168	1 033	76
	<b>272 223</b>	<b>341 600</b>	<b>209 969</b>	<b>251 467</b>
<b>Total liabilities</b>	<b>272 612</b>	<b>341 891</b>	<b>209 969</b>	<b>251 477</b>
<b>Total liabilities and equity</b>	<b>402 470</b>	<b>463 239</b>	<b>280 112</b>	<b>326 518</b>

Dariusz Jacek Krawiec  
President

Piotr Bieliński  
Vice President

Kazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

### I.3. Consolidated profit and loss statement

	Quarter 3 incrementally (current year) period from 01 Aug 2006 to 30 Apr 2007	Quarter 3 (current year) period from 01 Feb 2007 to 30 Apr 2007	Quarter 3 incrementally (current year) period from 01 Aug 2005 to 30 Apr 2006	Quarter 3 (current year) period from 01 Feb 2006 to 30 Apr 2006
Revenue from sales	1 374 529	434 528	1 129 154	298 920
Cost of sales of products, goods and materials	-1 288 488	-406 130	-1 060 760	-287 521
<b>Gross profit</b>	<b>86 041</b>	<b>28 398</b>	<b>68 394</b>	<b>11 399</b>
Cost of sales and marketing	-57 957	-18 346	-39 865	-9 500
General administrative costs	-14 595	-6 349	-13 400	-5 809
Other net revenue and operational profit	12 481	8 642	13 454	12 642
Remaining costs and losses	-5 651	-4 312	-7 776	-6 375
<b>Operating profit</b>	<b>20 319</b>	<b>8 033</b>	<b>20 807</b>	<b>2 357</b>
Net financial costs	-1 403	-677	-3 489	-863
<b>Profit before tax</b>	<b>18 916</b>	<b>7 356</b>	<b>17 318</b>	<b>1 494</b>
Corporate income tax	-5 015	-2 548	-3 559	-52
<b>Net Profit</b>	<b>13 901</b>	<b>4 808</b>	<b>13 759</b>	<b>1 442</b>
<b>Including:</b>				
<b>due to shareholders of the Company</b>	<b>13 909</b>	<b>5 039</b>	<b>12 879</b>	<b>1 462</b>
due to minority shares	-8	-231	880	-20
	<b>13 901</b>	<b>4 808</b>	<b>13 759</b>	<b>1 442</b>
<b>Profit/Loss due to shareholders of the Company per ordinary share</b> * (expressed in PLN per one share)				
- basic	0.85	0.31	10.81	1.23
- diluted	0.81	0.29	10.81	1.23
<b>Number of shares</b>	<b>16 410 000</b>	<b>16 410 000</b>	<b>1 191 000</b>	<b>1 191 000</b>
<b>Diluted number of shares</b>	<b>17 230 500</b>	<b>17 230 500</b>	<b>1 191 000</b>	<b>1 191 000</b>

The basic number of shares includes 11,910,000 shares of series A and 4,500,000 shares of series B.

The diluted number of shares includes an additional planned issue of 820,500 shares of series C.

The basic profit/loss per share is calculated by dividing the profit/loss due to shareholders of the Company by the weighed average number of ordinary shares throughout the period.

The diluted profit/loss per share is calculated by dividing the profit/loss due to shareholders of the Company and the weighed average number of ordinary shares, including the planned issue of 820,500 shares of series C as part of a conditional increase in share capital pursuant to a resolution passed by the Extraordinary General Meeting of Shareholders of the Company of 15 November 2006.

The weighed average number of ordinary shares in the periods: 01 Aug 2006 – 30 April 2007 and 01 February 2007 – 30 April 2007 allows for the change of the nominal value of the series A shares from 1 PLN to 0.10 PLN. The change of the nominal value of shares of series A was made by resolution of the Extraordinary General Meeting of Shareholders of 11 April 2006. In addition, the weighed average number of ordinary shares in the period 01 August 2006 – 31 January 2007 was increased by the planned issue of 820,500 series C shares.

All revenue and costs stated apply to the continued activities.

Dariusz Jacek Krawiec  
President

Piotr Bieliński  
Vice President

Kazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

## I.4. Statement of changes in equity capital - consolidated report

	Due to shareholders of the Company			Due to minority shares	Total equity capital
	Share capital	Surplus from the sale of shares above nominal value	Retained profit		
<b>Position as of 1 August 2005</b>	<b>1 191</b>	<b>4 695</b>	<b>50 029</b>	<b>1 427</b>	<b>57 342</b>
Net Profit/Loss			12 879	880	13 759
Total Revenue	<b>1 191</b>	<b>4 695</b>	<b>62 908</b>	<b>2 307</b>	<b>71 101</b>
Other			-917	-41	-958
<b>Position as of 30 April 2006</b>	<b>1 191</b>	<b>4 695</b>	<b>61 991</b>	<b>2 266</b>	<b>70 143</b>
<b>Position as of 1 August 2006</b>	<b>1 641</b>	<b>55 768</b>	<b>61 385</b>	<b>2 859</b>	<b>121 653</b>
Net Profit			13 909	-8	13 901
Total Revenue	<b>1 641</b>	<b>55 768</b>	<b>75 294</b>	<b>2 851</b>	<b>135 554</b>
Share Issue					
Transaction Costs of Share Issue	0	-23	0	0	-23
Dividends Paid	0	0	-2 461	0	-2 461
Other	0	0	-2 808	-404	-3 212
<b>Position as of 30 April 2007</b>	<b>1 641</b>	<b>55 745</b>	<b>70 025</b>	<b>2 447</b>	<b>129 858</b>

Dariusz Jacek Krawiec  
 President

Piotr Bieliński  
 Vice President

Kazimierz Lasecki  
 Vice President

Warsaw, 14 June 2007

## I.5. Cash flow statement – consolidated statement

	Quarter 3 incrementally (current year) period from 01 Aug 2006 to 30 Apr 2007	Quarter 3 (current year) period from 01 Feb 2007 to 30 Apr 2007	Quarter 3 incrementally (current year) period from 01 Aug 2005 to 30 Apr 2006	Quarter 3 (current year) period from 01 Feb 2006 to 30 Apr 2006
<b>Cash Flow from Operational Activity</b>				
<b>Net Profit</b>	<b>13 909</b>	<b>5 039</b>	<b>12 879</b>	<b>1 462</b>
Adjustments:	-19 355	-14 739	-8 193	-10 357
– Income-tax	4 879	2 412	2 802	-705
– Depreciation of Fixed Assets and Intangibles	5 219	2 035	4 845	1 509
– Profit from Investment	42	101	-2 827	-2 800
– Interest Revenue	-133	559	224	446
– Interest Costs	1 303	577	2 676	406
– Remaining	-7 475	-3 075	6 223	6 192
Changes in trading capital position:				
– Reserves	-27 327	20 115	24 212	17 198
– Payables due to deliveries and services and remaining dues	-53 339	278	-19 604	34 150
– Liabilities due to deliveries and services and remaining liabilities	57 476	-37 741	-26 744	-66 753
<b>Net Cash Flow from Operational Activity</b>	<b>-5 446</b>	<b>-9 700</b>	<b>4 686</b>	<b>-8 895</b>
<b>Cash Flow from Investment Activity</b>				
Acquisition of Tangible and Intangible Assets	-27 779	-18 375	-3 017	-2 378
Earnings from Sales of Tangible Assets	113	6	588	142
Remaining inflows/expenses	897	897	-1 368	-257
<b>Net cash flows from investing activities</b>	<b>-26 769</b>	<b>-17 472</b>	<b>-3 797</b>	<b>-2 493</b>
<b>Cash Flow from Financial Activity</b>				
Loans and borrowed money received	38 177	-15 182	0	-2 118
Payment of loans and borrowed money	-236	9 793	2 513	5 013
Interest paid	-1 335	-606	-3 048	-1 647
Repayment of finance lease liabilities	-68	-2	-74	-74
Remaining inflows/expenses	-2 180	-3 024	45	45
Net cash flows from financial activities	<b>34 358</b>	<b>-9 021</b>	<b>-564</b>	<b>1 219</b>
<b>Net increase (decrease) of cash</b>	<b>2 143</b>	<b>-36 193</b>	<b>325</b>	<b>-10 169</b>
Financial Position at the Beginning of the Year	7 512	45 848	4 091	14 585
<b>Financial Position at the End of the Period</b>	<b>9 655</b>	<b>9 655</b>	<b>4 416</b>	<b>4 416</b>

Dariusz Jacek Krawiec  
President

Piotr Bieliński  
Vice President

Kazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

## II. Abbreviated quarterly unit financial statement as of 30 April 2007 as well as for the three month period ending on 30 April 2007 drawn up according to the Accounting Act

### II.1. Selected financial data – individual statements

Due to the registered merger of ACTION S.A. with California Computer S.A. on 9 February 2007, the Company calculated the summary data of the merger and converted the comparative data for the respective periods of the previous year.

SELECTED INDIVIDUAL FINANCIAL DATA	in PLN M		in EUR M	
	Q3 incrementally (current year) period from 01 Aug 2006 to 30 Apr 2007	Q3 incrementally (previous year) from 01 Aug 2005 to 30 Apr 2006	Q3 incrementally (current year) period from 01 Aug 2006 to 30 Apr 2007	Q3 incrementally (previous year) from 01 Aug 2005 to 30 Apr 2006
I. Revenue from sales	1 313 807	1 145 306	338 200	293 405
II. Operating profit	14 802	10 374	3 810	2 658
III. Gross profit	18 457	12 638	4 751	3 238
IV. Net profit	14 309	9 561	3 683	2 449
V. Net cash flows from operating activities	-6 136	4 553	-1 580	1 166
VI. Net cash flows from investing activities	-29 310	-3 493	-7 545	-895
VII. Net cash flows from financial activities	34 690	-532	8 930	-136
VIII. Net increase (decrease) of cash	-756	528	-195	135
IX. Total assets	398 740	269 136	105 267	69 472
X. Liabilities	268 571	203 895	70 902	52 632
XI. Long-term liabilities	0	0	0	0
XII. Short-term liabilities	265 279	203 739	70 033	52 591
XIII. Shareholders' equity	130 169	65 241	34 364	16 841
XIV. Share capital	1 641	1 191	433	307
XV. Number of shares *	16 410 000	1 191 0 00	16 410 000	1 191 000
XVI. Earnings (loss) per share of common stock **(in PLN / EUR)	0.87	8.03	0.22	2.06
XVII. Book value of one share *** (in PLN / EUR)	7.93	54.78	2.09	14.14

(\*) Profit/loss per ordinary share is the quotient of the net *profit/loss payable to the shareholders of the Company and the number of shares*.

The number of shares includes the change of the nominal value of shares series A from 1 PLN to 0.10 PLN with the simultaneous division of 1 share of value of 1 PLN into 10 shares of a nominal value of 0.10 PLN. The change was made on the 04/11/2006 by resolution of the Extraordinary General Meeting of Shareholders.

(\*\*) Profit/loss per ordinary share is the quotient of net profit/loss and the number of shares.

(\*\*\*) Book value per share is the quotient of equity capital and the number of shares.

The selected financial data presented in the financial statements has been converted into euro as follows:

- the items related to the profit-loss account and the cash flow statement have been calculated using the exchange rate obtained as the arithmetic mean of the average exchange rates announced by the National Bank of Poland (NBP) as of the last day of each month of the quarter. For the third quarter of 2006, that exchange rate was equal to EUR 1.00 = PLN 3.8847, and for the third quarter of 2005: EUR 1.00 = PLN 3.9035;
- the balance sheet items have been calculated using the average exchange rate announced by NBP as of the balance issue date. On 30 April 2007, that rate was EUR 1.00 = PLN 3.7879; on 30 April 2006, EUR 1.00 was equal to PLN 3.8740.



## II.2. Balance sheet – individual statement

BALANCE	as of 30 Apr 2007 quarter end (current year)	as of 31 Jan 2007 end of prev. quarter (current year)	as of 30 Apr 2006 quarter end (prev. year)	as of 31 Jan 2006 end of prev. quarter (prev. year)
<b>A s s e t s</b>				
<b>I. Fixed assets</b>	<b>75 909</b>	<b>67 016</b>	<b>52 466</b>	<b>53 556</b>
1. Intangible assets	5 786	6 500	8 765	9 517
- goodwill				
2. Tangible fixed assets	55 096	48 548	36 921	36 873
3. Long-term receivables	0	0	0	0
3.1. From affiliated entities				
3.2. From other entities				
4. Long-term investments	14 117	10 612	6 688	6 888
4.1. Real estate	2 156	2 150	0	0
4.2. Intangible assets	0	0	0	0
4.3. Long-term financial assets	11 961	8 462	6 688	6 888
a) in affiliated entities, including:	11 954	8 455	6 681	6 881
- subsidiary shares valued based on the equity method				
- shares in subsidiary and affiliate entities consolidated	11 954	8 455	6 681	6 881
- shares in subsidiary and affiliate entities not consolidated				
- other financial assets				
b) in other entities	7	7	7	7
4.4. Other long-term investments	0	0	0	0
5. Long-term accruals and prepayments	910	1 356	92	278
5.1. Deferred tax assets	910	1 356	92	278
5.2. Other accruals and prepayments	0	0	0	0
<b>II. Current assets</b>	<b>322 831</b>	<b>397 456</b>	<b>216 670</b>	<b>264 447</b>
1. Inventory	124 445	152 442	75 077	89 769
2. Short-term receivables	185 591	195 304	134 351	159 434
2.1. From affiliated entities	31 967	41 082	13 463	18 101
2.2. From other entities	153 624	154 222	120 888	141 333
3. Short-term investments	5 341	43 946	3 860	12 596
3.1. Short-term financial assets	5 341	43 250	3 660	12 396
a) in affiliated entities				
b) in other entities				
c) cash and cash equivalents	5 341	43 250	3 660	12 396
3.2. Other short-term investments	0	696	200	200
4. Short-term accruals and prepayments	7 454	5 764	3 382	2 648
<b>Total Assets</b>	<b>398 740</b>	<b>464 472</b>	<b>269 136</b>	<b>318 003</b>

(all amounts given in thousands zloty (PLN M) unless indicated otherwise)

<b>Liabilities and Shareholders' Equity</b>				
<b>I. Shareholders' equity</b>	<b>130 169</b>	<b>124 599</b>	<b>65 241</b>	<b>63 297</b>
1. Share capital	1 641	1 641	1 191	1 191
2. Not paid-up capital (negative value)	0	0	0	0
3. Own shares (negative value)	0	0	0	0
4. Supplementary capital	118 869	118 507	59 139	59 139
5. Revaluation capital	0	0	0	0
6. Other reserve capital	0	0	0	0
7. Currency exchange rate differences from the calculation of subsidiary entities	0	0	0	0
a) positive exchange rate differences				
b) negative exchange rate differences				
8. Profit (loss) of prior years	-4 650	-4 650	-4 650	-4 650
9. Net profit (loss)	<b>14 309</b>	<b>9 101</b>	<b>9 561</b>	<b>7 617</b>
10. Net profit write-offs during the financial year (negative value)				
<b>IV. Liabilities and reserves for liabilities</b>	<b>268 571</b>	<b>339 873</b>	<b>203 895</b>	<b>254 706</b>
1. Reserves for liabilities	2 259	1 027	156	182
1.1. Deferred tax reserves	1 373	141	50	76
1.2. Pension and related benefits provisions	780	780	0	0
a) long-term				
b) short-term	780	780	0	0
1.3. Other reserves	106	106	106	106
a) long-term				
b) short-term	106	106	106	106
2. Long-term liabilities	0	0	0	0
2.1. To affiliates				
2.2. To other entities				
3. Short-term liabilities	265 279	337 315	203 739	254 524
3.1. To affiliates	5 582	15 589	15 985	19 992
3.2. To other entities	259 697	321 726	187 754	234 532
3.3. Special funds	0			
4. Deferred settlements	1 033	1 531	0	0
4.1. Negative goodwill				
4.2. Other accruals and prepayments	1 033	1 531	0	0
a) long-term				
b) short-term	1 033	1 531	0	0
<b>Total Liabilities and Shareholders' Equity</b>	<b>398 740</b>	<b>464 472</b>	<b>269 136</b>	<b>318 003</b>

<b>OFF-BALANCE SHEET ITEMS</b>	<b>as of 30 Apr 2007 quarter end (current year)</b>	<b>as of 31 Jan 2007 end of prev. quarter (current year)</b>	<b>as of 30 Apr 2006 quarter end (prev. year)</b>	<b>as of 31 Jan 2006 end of prev. quarter (prev. year)</b>
<b>1. Contingent receivables</b>	<b>1 040</b>	<b>1 040</b>	<b>0</b>	<b>0</b>
1.1. From affiliates (source )	0	0	0	0
- on guarantees and sureties	0	0	0	0
1.2. From remaining entities (source )	1 040	1 040	0	0
- on guarantees and sureties	1 040	1 040	0	0
<b>2. Contingent liabilities</b>	<b>12 384</b>	<b>12 301</b>	<b>18 071</b>	<b>29 102</b>
1.1. To affiliates (source )	420	420	0	11 195
- on guarantees and sureties issued	420	420	0	11 195
1.2. To remaining entities (source )	11 964	11 881	18 071	17 907
- on guarantees and sureties issued	11 964	11 881	738	574
- agreements with stakeholders	0	0	17 333	17 333
<b>3. Other (source)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Off-balance sheet items total</b>	<b>13 424</b>	<b>13 341</b>	<b>18 071</b>	<b>29 102</b>

Dariusz Jacek Krawiec  
President

Piotr Bieliński  
Vice President

Kazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

### II.3. Profit and Loss Statement – individual statement

<b>PROFIT AND LOSS STATEMENT</b>	<b>Quarter 3 (current year) from 01 Feb 2007 to 30 Apr 2007</b>	<b>Quarter 3 incrementally (current year) from 01 Aug 2006 to 30 Apr 2007</b>	<b>Quarter 3 (previous year) from 01 Feb 2006 to 30 Apr 2006</b>	<b>Quarter 3 incrementally (prev. year) from 01 Aug 2005 to 30 Apr 2006</b>
<b>I. Net sales revenue (on goods, finished goods and materials), including:</b>	<b>395 600</b>	<b>1 313 807</b>	<b>305 208</b>	<b>1 145 306</b>
- generated by affiliates	15 079	22 680	741	30 379
1. Net sales of finished goods	2 904	8 070	1 998	6 866
2. Net sales of goods for resale and materials	392 696	1 305 737	303 210	1 138 440
<b>II. Cost of sales of goods, finished goods and materials, including:</b>	<b>374 009</b>	<b>1 243 422</b>	<b>292 126</b>	<b>1 087 907</b>
- generated by affiliates	14 551	21 754	714	30 324
1. Cost of products sold	0	0	0	0
2. Cost of goods for resale and materials sold	374 009	1 243 422	292 126	1 087 907
<b>III. Sales profit (loss) before taxes (I-II)</b>	<b>21 591</b>	<b>70 385</b>	<b>13 082</b>	<b>57 399</b>
IV. Selling expense	13 206	45 329	11 940	33 914
V. General administrative expense	4 821	11 446	2 778	8 902
<b>VI. Sales profit (loss) (III-IV-V)</b>	<b>3 564</b>	<b>13 610</b>	<b>-1 636</b>	<b>14 583</b>
VII. Other operating income	1 924	2 643	3 260	3 770
1. Revenue from disposal of non-financial fixed assets	21	66	26	83
2. Subsidies	0	0	0	0
3. Other operating income	1 722	2 577	3 234	3 687
VIII. Other operating expenses	747	1 451	693	7 979
1. Losses on disposal of non-financial fixed assets	0	0	0	0
2. Remeasurement of non-financial assets	0	0	0	0
3. Other operating expenses	84	1 451	693	7 979
<b>IX. Operating profit (loss) (VI+VII-VIII)</b>	<b>4 741</b>	<b>14 802</b>	<b>931</b>	<b>10 374</b>
X. Financial revenue	5 313	7 168	2 170	5 951
1. Dividends and share in profits, including:	0	0	0	0
- generated by affiliates	0	0	0	0
2. Interest, including:	156	689	57	259
- generated by affiliates	0	0	0	0
3. Profit on disposal of investments	0	0	7	7
4. Remeasurement of investments	0	0	0	0
5. Other	5 759	6 479	2 106	5 685
XI. Financial costs	2 542	3 513	1 055	3 687
1. Interest, including:	604	1 327	855	3 487
- for affiliates	0	0	0	0
2. Losses on disposal of investments	2 180	2 180	0	0
3. Remeasurement of investments	0	0	200	200
4. Other	0	6	0	0
XII. Profit (loss) on the sale of all or part of subsidiary shares	0	0	0	0

(all amounts given in thousands zloty (PLN M) unless indicated otherwise)

<b>XIII. Profit (loss) on ordinary business activity (IX+X-XI+/-XII)</b>	<b>7 512</b>	<b>18 457</b>	<b>2 046</b>	<b>12 638</b>
XIV. Extraordinary result (XIV.1. - XIV.2.)	0	0	0	0
1. Extraordinary profits	0	0	0	0
2. Extraordinary losses	0	0	0	0
XV. Goodwill write-off for subsidiaries	0	0	0	0
XVI. Negative goodwill write-off for subsidiaries	0	0	0	0
<b>XVII. Gross profit (loss) (XIII+/-XIV-XV+XVI)</b>	<b>7 512</b>	<b>18 457</b>	<b>2 046</b>	<b>12 638</b>
XVIII. Corporate income tax	2 304	4 148	102	3 077
a) current part	625	3 812	-57	2 747
b) deferred part	1 679	336	159	330
XIX. Other mandatory profit reductions (loss increases)	0	0	0	0
XX. Share in net profits (losses) of subsidiaries priced based on the equity method	0	0	0	0
XXI. Minority losses (profits)	0	0	0	0
<b>XXII. Net profit (loss) (XVII-XVIII-XIX+/-XX+/-XXI)</b>	<b>5 208</b>	<b>14 309</b>	<b>1 944</b>	<b>9 561</b>

<b>Net profit (loss), annualized</b>	16 965	16 965	-6 728	-6 728
<b>Weighed average number of ordinary shares</b>	16 410 000	16 410 000	1 191 000	1 191 000
<b>Profit (loss) per ordinary share (in PLN)</b>	1,03	1,03	-5,65	-5,65

(\*) Profit/loss per ordinary share was calculated as the quotient of *net profit/loss* and the *number of shares*.

The number of shares includes the change of the nominal value of shares series A from 1 PLN to 0.10 PLN with the simultaneous division of 1 share of value of 1 PLN into 10 shares of a nominal value of 0.10 PLN. The change was made on the 04/11/2006 by resolution of the Extraordinary General Meeting of Shareholders.

Dariusz Jacek Krawiec  
President

Piotr Bieliński  
Vice President

Kazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

## II.4. Changes in equity – individual statement

SUMMARY OF CHANGES IN EQUITY	Quarter 3 (current year) from 01 Feb 2007 to 30 Apr 2007	Quarter 3 incrementally (current year) from 01 Aug 2006 to 30 Apr 2007	Quarter 3 (previous year) from 01 Feb 2006 to 30 Apr 2006	Quarter 3 incrementally (prev. year) from 01 Aug 2005 to 30 Apr 2006
<b>I. Equity at the beginning of the period (OB)</b>	<b>124 961</b>	<b>117 555</b>	<b>63 297</b>	<b>69 526</b>
a) changes to accounting policy	0	0	0	0
b) adjustment of major errors	0	0	0	0
<b>I.a. Opening equity after matching with comparable figures</b>	<b>124 961</b>	<b>117 555</b>	<b>63 297</b>	<b>69 526</b>
<b>1. Share capital at the beginning of the period</b>	<b>1 641</b>	<b>1 641</b>	<b>1 191</b>	<b>1 191</b>
1.1. Changes of the share capital	0	0	0	0
a) increase (source)	0	0	0	0
- issue of shares	0	0	0	0
b) decrease (source)	0	0	0	0
- redemption of shares	0	0	0	0
<b>1.2. Share capital at the end of the period</b>	<b>1 641</b>	<b>1 641</b>	<b>1 191</b>	<b>1 191</b>
<b>2. Called-up share capital contributions at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2.1. Change in called-up share capital contributions	0	0	0	0
a) increase (source)	0	0	0	0
b) decrease (source)	0	0	0	0
<b>2.2. Called-up share capital contributions at the end of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. Treasury shares at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3.1. Changes of treasury (own) shares	0	0	0	0
a) increase (source)	0	0	0	0
b) decrease (source)	0	0	0	0
<b>3.2. Treasury shares at the end of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4. Supplementary capital at the beginning of the period</b>	<b>118 869</b>	<b>110 212</b>	<b>59 139</b>	<b>72 985</b>
4.1. Changes of the supplementary capital	0	0	0	0
a) increase (source)	0	10 182	0	0
- premium share issue	0	0	0	0
- appropriation of profit (mandatory)	0	9 756	0	0
- appropriation of profit (above the mandatory minimum)	0	0	0	0
- transfer of reserve capital from revaluation	0	0	0	0
- other	0	426	0	0
b) decrease (source)	0	1 525	0	13 846
- offset of losses	0	0	0	12 766
- outcome of the merger with California Computer S.A.	0	1 511	0	1 080
- other	0	14	0	0
<b>4.2. Supplementary capital at the end of the period</b>	<b>118 869</b>	<b>118 869</b>	<b>59 139</b>	<b>59 139</b>
<b>5. Revaluation reserve at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
5.1. Changes in revaluation reserve	0	0	0	0
a) increase (source)	0	0	0	0

(all amounts given in thousands zloty (PLN M) unless indicated otherwise)

b) decrease (source)	0	0	0	0
- disposal of tangible fixed assets	0	0	0	0
<b>5.2. Revaluation reserve at the end of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>6. Other reserve capital at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
6.1. Change in other reserve capital	0	0	0	0
a) increase (source)	0	0	0	0
b) decrease (source)	0	0	0	0
<b>6.2. Other reserve capital at the end of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Profits (losses) of prior years at the beginning of the period</b>	<b>-4 650</b>	<b>-4 650</b>	<b>-4 650</b>	<b>-4 650</b>
<b>7.1. Unappropriated profits at the beginning of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) changes to accounting policy	0	0	0	0
b) adjustment of major errors	0	0	0	0
<b>7.2. Profit of prior years at the beginning of the period after matching with comparable figures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) increase (source)	0	12 217	0	0
- result for the previous period	0	12 217	0	0
- appropriation of profit from previous years	0	0	0	0
b) decrease (source)	0	12 217	0	0
- moved to supplementary capital	0	9 756	0	0
- payment of dividends	0	2 461	0	0
<b>7.3. Unappropriated profits of prior years at the end of the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7.4. Accumulated losses of prior years at the beginning of the period</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>
a) changes to accounting policy	0	0	0	0
b) adjustment of major errors	0	0	0	0
<b>7.5. Accumulated losses of prior years at the beginning of the period after matching with comparable figures</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>
a) increase (source)	0	0	0	12 766
- result for the previous period	0	0	0	0
- transfer of prior year losses to be compensated	0	0	0	12 766
b) decrease (source)	0	0	0	12 766
- transfer of prior year losses	0	0	0	12 766
<b>7.6. Accumulated losses of prior years at the end of the period</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>
<b>7.7. Unappropriated profits (Accumulated losses) of prior years at the end of the period</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>	<b>4 650</b>
<b>8. Net result</b>	<b>5 208</b>	<b>14 309</b>	<b>1 944</b>	<b>9 561</b>
a) net profit	5 208	14 309	1 944	9 561
b) net loss	0	0	0	0
c) profit write-offs				
<b>II. Equity at the end of the period (CB)</b>	<b>130 169</b>	<b>130 169</b>	<b>65 241</b>	<b>65 241</b>
<b>III. Equity, as adjusted for the proposed appropriation of profit (offset of loss)</b>	<b>130 169</b>	<b>130 169</b>	<b>65 241</b>	<b>65 241</b>

Dariusz Jacek Krawiec  
PresidentPiotr Bieliński  
Vice PresidentKazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

## II.5. Cash flow statement – individual statement

CASH FLOW STATEMENT	Quarter 3 (current year) from 01 Feb 2007 to 30 Apr 2007	Quarter 3 incrementally (current year) from 01 Aug 2006 to 30 Apr 2007	Quarter 3 (previous year) from 01 Feb 2006 to 30 Apr 2006	Quarter 3 incrementally (prev. year) from 01 Aug 2005 to 30 Apr 2006
<b>A. Net cash flows from operating activities – indirect method</b>				
<b>I. Net profit (loss)</b>	5 208	14 309	1 944	9 561
<b>II. Adjusted for:</b>	<b>-16 867</b>	<b>-20 445</b>	<b>-11 047</b>	<b>-5 008</b>
1. Share in (profits) losses of entities priced based on the equity method, net	0	0	0	0
2. Income tax indicated in the Profit and Loss Statement	2 304	4 148	161	3 077
3. Income taxes paid	-625	-3 812	1 540	0
4. Depreciation/amortisation, including:	1 435	4 390	1 286	4 241
- goodwill or negative goodwill write-offs of subsidiary entities	0	0	0	0
5. Foreign exchange (gains)/losses	3 024	2 180	-245	-245
6. Share in profits (dividends)	0	0	0	0
7. Revenue on interest	-859	-167	-2 103	0
8. Cost of interest	1 401	1 307	1 368	2 675
9. Gain (loss) on investing activities	-61	-66	-27	-83
10. Increase/decrease in reserves	1 278	1 341	42	-795
11. Increase/decrease in inventory	20 620	-27 323	14 958	18 135
12. Increase/decrease in receivables	-5 318	-68 089	23 167	-8 621
13. Increase/decrease in short-term liabilities, excluding loans and credits	-38 294	69 748	-50 820	-21 202
14. Change in accruals, prepayments and deferred income	-1 772	-4 102	-547	-2 363
15. Other adjustments	0	0	173	173
<b>III. Net cash flows from operating activities (I ± II)</b>	<b>-11 659</b>	<b>-6 136</b>	<b>-9 103</b>	<b>4 553</b>
<b>B. Cash flows from investing activities</b>				
<b>I. Cash inflows</b>	1 258	1 316	35	181
1. Disposal of intangible assets and tangible fixed assets	55	113	35	181
2. Disposal of investments in real estate and intangible assets	820	820	0	0
3. From financial assets, including:	383	383	0	0
a) in affiliated entities	216	216	0	0
- disposal of financial assets	0	0	0	0
- dividends and share in profits	0	0	0	0
- repayment of long-term loans granted	0	0	0	0
- interest	16	16	0	0
- other cash inflows from financial assets	200	200	0	0
b) in other entities	167	167	0	0
- disposal of financial assets	0	0	0	0



(all amounts given in thousands zloty (PLN M) unless indicated otherwise)

- dividends and share in profits	0	0	0	0
- repayment of long-term loans granted	0	0	0	0
- interest	167	167	0	0
- other cash inflows from financial assets	0	0	0	0
4. Other cash inflows from investing activities	0	0	0	0
<b>II. Cash outflows</b>	<b>18 713</b>	<b>30 626</b>	<b>1 988</b>	<b>3 674</b>
1. Purchase of intangible assets and tangible fixed assets	14 765	24 904	1 549	2 124
2. Investments in properties and intangible assets	448	448	0	0
3. On financial assets, including:	3 500	5 274	239	1 350
a) in affiliated entities	3 500	5 274	239	1 350
- purchase of financial assets	3 500	5 274	239	1 350
- long-term loans granted	0	0	0	0
b) in other entities	0	0	0	0
- purchase of financial assets	0	0	0	0
- long-term loans granted	0	0	0	0
4. Other cash outflows on investing activities	0	0	200	200
<b>III. Net cash flows from investing activities (I-II)</b>	<b>-17 455</b>	<b>-29 310</b>	<b>-1 953</b>	<b>-3 493</b>
<b>C. Cash flow from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>I. Cash inflows</b>	<b>0</b>	<b>38 177</b>	<b>3 913</b>	<b>2 516</b>
1. Net cash inflows from the issue of shares and other equity instruments and capital contributions from shareholders	0	0	0	0
2. Loans and credits	0	38 177	3 910	2 513
3. Issue of debt securities	0	0	0	0
4. Other cash inflows from financing activities	0	0	3	3
<b>II. Cash outflows</b>	<b>8 795</b>	<b>3 487</b>	<b>1 593</b>	<b>3 048</b>
1. Buyback of own shares	0	0	0	0
2. Dividends and other payments to shareholders	0	0	0	0
3. Cash flows other than payments to owners, expenses arising from the appropriation of profit	0	0	0	0
4. Repayment of loans and credits	5 182	0	815	0
5. Redemption of debt securities	0	0	0	0
6. Other financial liabilities	0	0	0	0
7. Repayment of finance lease liabilities	0	0	0	0
8. Interest paid	589	1 307	778	3 048
9. Other cash outflows on financing activities	3 024	2 180	0	0
<b>III. Net cash flows from financing activities (I-II)</b>	<b>-8 795</b>	<b>34 690</b>	<b>2 320</b>	<b>-532</b>
<b>D. Net cash flows total (A.III+/-B.III+/-C.III)</b>	<b>-37 909</b>	<b>-756</b>	<b>-8 736</b>	<b>528</b>
<b>E. Balance change of cash and cash equivalents, including:</b>	<b>-37 909</b>	<b>-756</b>	<b>-8 736</b>	<b>528</b>
- change in cash and cash equivalents due to changes in foreign exchange rates	0	0	0	0
<b>F. Cash and cash equivalents at the beginning of the period</b>	<b>43 250</b>	<b>6 097</b>	<b>12 396</b>	<b>3 132</b>
<b>G. Cash and cash equivalents at the end of the period (F±D), including:</b>	<b>5 341</b>	<b>5 341</b>	<b>3 660</b>	<b>3 660</b>
- of restricted availability for use	0	0	0	0

Dariusz Jacek Krawiec  
PresidentPiotr Bieliński  
Vice PresidentKazimierz Lasecki  
Vice President

Warsaw, 14 June 2007

### III. Notes to the consolidated quarterly report for the 3rd quarter of 2006, including the period from 1 February 2007 to 30 April 2007

#### 1. General information

The objective of ACTION S.A. (Issuer/Company) and its subsidiaries is to sell computer equipment through wholesalers and third party shops. The group conducts sales principally in Poland.

The parent entity is ACTION S.A. with the registered office in Warsaw at ul. Jana Kazimierza 46/54. ACTION S.A. (stock company) was registered with the National Court Commercial Register at the KRS No. 0000214038 on the basis of the decision of the District Court in Warsaw, 12th Commercial Section of the National Court Register on August 2, 2004.

The legal predecessor of the Issuer, "ACTION spółka z ograniczoną odpowiedzialnością" {limited liability company} had been registered in the Commercial Register with the number KRS 0000066230 pursuant to a decision of the District Court of the Capital City of Warsaw, Commercial Division of the National Court Register of 28 November 2001.

ACTION S.A. is the managing entity at the highest level.

#### 2. Description of accepted accounting principles

The accounting year of the Company is not the same as the calendar year and finishes on the 31 July. The financial report as of 30 April 2007 and for the three month period ending on 30 April 2007 drafted for the requirements of the report shall represent the report for the third quarter of 2006. Analogically, the financial report as of 30 April 2006 and for the three month period ending on 30 April 2006 for the requirements of the report shall represent the report for the third quarter of 2005.

In Q3 of 2006 the following companies were consolidated:

- ACTION S.A.- the parent company
- Eko Action Sp. z o.o. (former name: A.PL Sp. z o.o.) - subsidiary (100 %)
- California Computer S.A.- subsidiary (100 %)
- Action Internet Sp. z o.o. (former name: Action Wrocław Sp. z o.o.) - subsidiary (100 %)
- ACTION Ukraina TzOW- subsidiary (51 %)
- SFK Sp. z o.o.- subsidiary (100%)
- Prologic Sp. z o.o.- subsidiary (60 %)
- Jet Trade Sp. z o.o.- subsidiary (51 %) ( \* )
- Actina Sp. z o.o.- subsidiary (100%)
- A.PL Sp. z o.o. with registered office in Warsaw- subsidiary (100%) ( \*\* )
- PTR Sp. z o.o. – indirect subsidiary (61.14%) ( \*\*\* )

( \* ) Jet Trade Sp. z o.o. – On 1 March 2007 ACTION S.A. divested its shares in Jet Trade Sp. z o.o.

( \*\* ) A.PL Sp. z o.o. with registered office in Warsaw was established on 12 October 2006.

( \*\*\* ) PTR Sp. z o.o. with registered office in Warsaw was included in the consolidation process on 5 January 2007.

The consolidated quarterly statement for Q3 of 2006 was drawn up in compliance with IFRS, adopted to evaluate the assets and liabilities and to determine the financial performance of the parent company exclusively for the needs of the consolidated statements of 1 August 2005. A detailed description of the principles of valuation and presentation has been included in the annual consolidated statement for 2005, published on 12 January 2007. The

statements drawn up for Q3 of the previous year and in the case of the balance, for the quarter directly preceding the quarter included by the statement were drawn up in a manner ensuring comparability of data.

In the period included in the report:

- temporary differences in income tax caused by the time differences between the determination of income earned and the costs borne had the effect of decreasing the net financial result by 1,741,000 PLN;
- the valuation of currency balances as of 30 April 2007 had the effect of reducing the Group's gross profit by 1,782,000 PLN;
- write-offs to receivables of 1,660,000 PLN had been dissolved.

Zloty (PLN) was converted to EUR pursuant to Section 89 Article 2 of the Ordinance of the Minister of Finance of 19 October 2005 on current and periodical information published by issuers of securities.

### 3. Segment reporting

Until now, the Group applied the following policy in the scope of operating segments:

the reporting system was primarily based on geographical segments, and secondarily on industry sectors.

From the beginning of the current year the geographic pattern, which included the business in Switzerland, Germany and Ukraine no longer reflects the key organisational area and the pattern of decision-making locations because the operations in Switzerland and Germany had been ended.

The Group is currently developing a new division of activity segmentation.

The activity of the Group is based on one single industry sector - wholesale distribution of computer hardware, which makes it necessary for the Group to revert to a lower level of internal segmentation in order to isolate out the segments which are subject to obligatory reporting.

### 4. Seasonality of sales

The operations of the ACTION Group is subject to a certain minor seasonality of sales. Group records a sales peak in the second quarter of the financial year.

### 5. Description of the Issuer's relevant successes and failures in the period covered by the report, together with a list of the most significant events.

	Q3 2006	Q3 2005
net sales	434 528	298 920
gross sales profit	28 398	11 399
<i>sales margin</i>	6.54 %	3.81 %
EBIT	8 033	2 357
<i>EBIT margin</i>	1.85 %	0.79 %
net profit	5 039	1 462
<i>net margin</i>	1.16 %	0.49 %

The consolidated sales revenue of the Capital Group ACTION S.A. for Q3 of 2006 came to 434,528,000 PLN against 298,920,000 PLN for Q3 2005. This represents an increase by 45.4 %.

The increase of sales by 135,608,000 PLN as compared to Q3 2005 was caused both by external and internal factors. The most significant external factors were as follows:

- an improvement of an overall condition of households compared to the previous year,
- an inflow of EU funding to national public and private entities,
- improved economic condition of the country and a stronger national currency,
- a drop of prices of IT components.

The market success of the Company have also been a result of certain internal actions. Those of key importance include:

- improved effectiveness of the sales department (increased number of product lines, a 10,7 % increase of the number of customers compared to the previous year – a quantitative change, sales revenue up by 45 %, - a qualitative change, customer loyalty increased by 9 % ),
- enhanced sales and logistics software,
- a broader offer (in 2007 the number of products offered increased by over 65 % compared to the previous year).

Those factors allowed the Company to win a number of important tenders. First of all, one should mention the delivery of hardware to the Ministry of Education, ZUS (Social Insurance Company) or PZU (a major national insurer). The Company signed a number of significant distribution agreements, including ones with such companies as Microsoft, Apple IMC Poland or Konica Minolta.

In Q3 of 2006 the Group earned a gross margin of approx. 6.54 %. That margin is 2.73 PP higher than the margin achieved in the respective quarter of 2005.

The net profit attained was 5,039,000 PLN, which exceeds the net profit gained in the respective period of the previous year by 3,577,000 PLN.

Compared to Q3 2005, the managing entity ACTION S.A. increased its revenue by 158,131,000 PLN (i.e. by 58,3 %) to 429,552,000 PLN.

At the same time, the sales margin increased by 6,846,000 PLN (i.e. by 45.05 %) to 22,044,000 PLN.

Despite heavy competition and the variable industry environment, the ACTION S.A. Group does its best to face the challenges presented by the market. The changes drive the Company towards automation and an increase of online sales. In the field of logistics, the steps taken will include the procurement of new technologies, expansion of the storage space and an increase of automation of the warehouses run by the Company.

#### **4. Factors and events, particularly special ones, with substantial impact on financial performance attained**

During the period covered by the statement there were no events which might have significant impact on the financial results achieved.

#### **5. Indication of events, which occurred after the day on which the abbreviated quarterly financial report was drawn up, not included in this report, and capable of significantly influencing the future financial results of the Company**

On 14 May 2007, the Board of ACTION S.A received a confirmation (a sworn translation to Polish of the Statutes of ACTION UKRAINA Sp. z o.o. annotated by the registering body) of an official registration of changes of the incorporation documents of ACTION UKRAINA Sp. z o. o., performed by the Executive Committee of the Lvov City Council of the Lvov District in Lvov on 25 April 2007. The change was registered

with number 14151050010000776 and consisted e.g. in increasing the share capital of ACTION UKRAINA Sp. z o.o.

As a result of increasing share capital of ACTION UKRAINA Sp. z o.o., it is currently equal to 40,400,000 UAH (Ukrainian hryvna), an equivalent of 8,000,000 USD (based on the exchange rate of the National Bank of Ukraine as of 11 April 2007).

The share capital of ACTION UKRAINA currently has the following structure:

1. ACTION S.A.: share of 51 % and the same proportion of votes at the meeting of partners of ACTION UKRAINA Sp. z o.o. (20,604,000 UAH, 4,080,000 USD);
2. Blue Mare LLP (a limited legal liability company based in the United Kingdom) a share of 5 % and the same proportion of votes at the meeting of partners ACTION UKRAINA Sp. z o.o. (2,020,000 UAH, 400,000 USD);
3. Mr Oleh Baliash (a citizen of Ukraine): a share of 5 % and the same proportion of votes at the meeting of partners of ACTION UKRAINA Sp. z o.o. (2,020,000 UAH, 400,000 USD);
4. Hightech Trade LLC (a limited legal liability company based in the United States): a share of 39 % and the same proportion of votes at the meeting of partners ACTION UKRAINA Sp. z o. o. (15,756,000 UAH, 3,120,000 USD).

Pursuant to the regulations of the Ukrainian law, the number of votes at the partners meeting is proportional to the amount contributed by the stakeholder and shall be specified as a percentage. The Ukrainian law does not require that full payments are contributed to the increased share capital prior to its registration. On 11 May 2007, the Issuer made a payment of 900,000 USD. The dates and the amounts of the remaining payments to the increased share capital shall be agreed by resolution of stakeholders of ACTION UKRAINA Sp. z o.o. The share capital of ACTION UKRAINA Sp. z o.o. shall be increased in full in return for financial contributions.

On 25 May 2007 the Issuer paid the amount of 892,500 USD as the second instalment of the contribution to the increased share capital of ACTION UKRAINA Sp. z o.o.

On 29 May 2007 the Board of ACTION S.A received a signed copy of Loan Agreement No. 2007/1013111347 for a credit line of 15 May 2007 concluded by the Issuer and Bank Polska Kasa Opieki S.A.. Thereby, the bank granted a non-revolving operating credit to ACTION S.A. at the amount of 40,000,000 PLN.

The purpose of the credit facilities granted to the Issuer is to finance and refinance the inventory and liabilities created by the contract concluded with WASKO S.A. with the registered office in Gliwice. The loan was granted for a period running from the date of signing the contract to 31 October 2007 and shall be used by the Borrower by 30 September 2007. The Borrower undertakes to make the final repayment of the Loan on 31 October 2007.

The interest rate of the loan is based on a variable WIBOR 1M rate increased by the commission of the Bank.

The loan is collateralised by means of: a title to the bank accounts maintained at 7th Branch of the Bank in Warsaw; a declaration made by the Issuer on a voluntary submission to execution; transfer of title of ownership to the warehouse inventory of 15,000,000.00 PLN of value as well as an assignment of rights of the insurance policy, assignment of receivables due to ACTION S.A. from WASKO S.A. pursuant to the contract referred to above.

## **6. The statement of the Board of Management of the Company pertaining to the capability to meet the previously published forecasts for the given year in the context of the results presented in the quarterly report**

The ACTION S.A. Capital Group did not make a decision on ongoing announcements of financial forecasts. The forecasts included in the prospectus include revenue from sales, operating profit and net profit due to shareholders of the Company for the following periods: from August 1, 2005 to July 31, 2006 and from August 1, 2006 to July 31, 2007.

In the context of the results presented in this report, the Board confirms the validity of the forecasts for the period between 1 August 2006 and 31 July 2007.

## **7. Indication of shareholders with at least 5% of the total number of votes at the general meeting of the shareholders of the Company, owned directly or indirectly through their subsidiaries, as of the day of**

**announcement of the quarterly report as well as an indication of the number of shares possessed by such entities, the percentage share in the share capital, the number of votes arising from them and the percentage share in the total number of votes at the general meeting and an indication of changes in the ownership structure of the Company.**

According to information possessed by the Company, the following shareholders are in possession of at least 5 % of the total number of votes for the general meeting of shareholders as of 1 February 2007:

1. Piotr Bieliński	28.64% number of shares	4,700,000
2. Olgierd Matyka	21.32% number of shares	3,500,000
3. Wojciech Wietrzykowski	8.53% number of shares	1,400,000

According to information possessed by the Company, the following shareholders are in possession of at least 5 % of the total number of votes for the general meeting of shareholders as of the date of drawing up the quarterly statement, i.e. 30 April 2007:

1. Piotr Bieliński	28.65% number of shares	4,701,000
2. Olgierd Matyka	21.32% number of shares	3,500,000
3. Wojciech Wietrzykowski	8.53% number of shares	1,400,000

The Issuer has been informed that the above data has changed as of the date of drawing up of the quarterly report i.e. 14 June 2007 and is currently as follows:

1. Piotr Bieliński	28.72% number of shares	4,712,888
2. Olgierd Matyka	21.32% number of shares	3,500,000
3. Wojciech Wietrzykowski	8.53% number of shares	1,400,000

#### **8. List of changes in the possession of Company shares or share rights (options) held by persons managing and supervising the Company, according to the information available to the Company**

In Q3 of 2006 changes occurred in the ownership of shares in ACTION S.A. by persons managing the Company and on 30 April 2007 its status was as follows:

Jacek Dariusz Krawiec	0 shares
Piotr Bieliński	4,701,000 shares of the nominal value of 0.10 PLN each
Kazimierz Lasecki	715,000 shares of the nominal value of 0.10 PLN each
Olgierd Matyka	3,500,000 shares of the nominal value of 0.10 PLN each
Wojciech Wietrzykowski	1,400,000 shares of the nominal value of 0.10 PLN each

The change referred to above was a result of the purchase of 1,000 shares of the Company by Mr Piotr Bieliński on 27 April 2007.

The Issuer has been informed that the above data has changed as of the date of drawing up of the quarterly report i.e. 14 June 2007 and is as follows:

Jacek Dariusz Krawiec	0 shares
Piotr Bieliński	4,712,888 shares of the nominal value of 0.10 PLN each
Kazimierz Lasecki	715,000 shares of the nominal value of 0.10 PLN each
Olgierd Matyka	3,500,000 shares of the nominal value of 0.10 PLN each
Wojciech Wietrzykowski	1,400,000 shares of the nominal value of 0.10 PLN each

According to the statements submitted, none of the members of the Supervisory Board of ACTION S.A. possessed shares in the Company on 30 April 2007 and neither of them acquired nor disposed of any such shares in the period from 1 February 2007 to 30 April 2007.

**9. Indication of relevant court proceedings, appropriate arbitration bodies or public administration authorities**

On the day of announcement of the statement no proceedings before court, arbitration bodies or public administration authorities were filed against the Company or its subsidiaries with respect to the liabilities or receivables of the Issuer or their subsidiaries the value of which would consist of 10 or more per cent of the equity of the Company.

**10. Information on entering into one or more transactions with the affiliated entities by the Company or its subsidiaries if the value of such transactions (total value of all transactions executed during the period from the beginning of the financial year) exceeds a sum expressed in PLN equivalent to 500,000 EUR unless such transactions are typical and routine transactions entered into under ordinary market conditions between the related entities and their nature and conditions result from the current operating activity of the Company or its subsidiaries.**

In the period of the 3 months ending on 30 April 2007 neither the Company nor any of its subsidiaries entered into any transactions with any affiliated entities the value of which would exceed a Polish zloty equivalent of 500,000 EUR and which were not typical and routine transactions entered into under ordinary market conditions between the related entities and whose nature and conditions did not result from the current operational activity of the Company or its subsidiaries.

**11. Information on total loan or credit guarantees or other guarantees granted by the Company or its subsidiaries to a single entity and its subsidiaries if the total value of such existing guarantees or bonds is equal to or exceeds 10% of the equity of the Company**

As of the end of Q3 of 2006 the value of guarantees issued was 12,384,000 PLN whereas the value of guarantees received was 1,040,000 PLN.

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Dariusz Jacek Krawiec  
President

Piotr Bieliński  
Vice President

Kazimierz Lasecki  
Vice President

Warsaw, 14 June 2007