



CONSOLIDATED
QUARTERLY STATEMENTS
FOR QUARTER 1 2014

15 MAY 2014

Table of Content

I. Statement of the Management Board concerning the accuracy of the Quarterly Condensed Consolidated Financial Statements	3
II. Interim Condensed Consolidated Financial Statements drawn up in accordance with the International Financial Reporting Standards for the period from 1 January 2014 to 31 March 2014.....	4
Consolidated Statement of Comprehensive Income	6
Statement of changes in consolidated equity	9
Consolidated Cash Flow Statement	10
Notes to the Interim Condensed Consolidated Financial Statements	11
1. General information	11
2. Principles applied in the preparation of the statements	16
3. Major estimates and judgements.....	20
4. Information about operating segments	21
5. Revenues and expenses.....	22
6. Contingent assets and liabilities.....	29
7. Events after the balance sheet date.....	29
III. Other quarterly financial information.....	31
IV. Statement of the Management Board concerning the accuracy of the Interim Condensed Financial Statements	38
V. Interim Condensed Financial Statements of ACTION S.A. for the period from 1 January 2014 to 31 March 2014	39
Statement of comprehensive income	40
Statement of Financial Position.....	41
Statement of changes in equity	42
Cash Flow Statement.....	43
Additional Information	44

I. Statement of the Management Board concerning the accuracy of the Quarterly Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements and the comparative data have been drawn up to present the financial position, business results and cash flows as required by the International Financial Reporting Standards ('IFRS') approved by the EU, published and in force on the balance-sheet day, and with respect to matters not regulated by the IFRS, in compliance with the Polish Accounting Act of 29 September 1994.

These Interim Condensed Consolidated Financial Statements of the ACTION S.A. Group for the period ended on 31 March 2014 include: consolidated statement of comprehensive income, consolidated statement of financial position, statement of changes in consolidated equity, consolidated cash flow statement and notes containing a description of key accounting principles and selected explanatory notes.

Pursuant to the requirements of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions regarding information required by the law of a non-member state as equivalent as well as the Ordinance of the Minister of Finance of 3 April 2012 amending the Ordinance on current and periodic information published by issuers of securities and the conditions regarding information required by the law of a non-member state as equivalent (Dziennik Ustaw [Journal of Laws] of 13 April 2012), the Management Board of ACTION S.A. hereby represents that:

- to the best of their knowledge, the interim condensed consolidated financial statements and comparative data have been drawn up in compliance with the accounting principles in force and that they present a true, accurate and fair view of the Group's economic and financial position and its financial result.

During the period covered by the Consolidated Financial Statements, companies from the Group, excluding ACTION S.A., ACTION EUROPE GmbH (formerly DEVIL GmbH) and LAPADO Handelsgesellschaft GmbH, kept their account books in line with the accounting policy (principles) determined by the Polish Accounting Act dated 29 September 1994 and regulations issued on its basis. The Consolidated Financial Statements comprise adjustments not included in the books of the Group's units, entered in order to bring the financial statements of such units in line with the IFRS. Since 1 January 2010 ACTION S.A. has been keeping its account books in accordance with the International Financial Reporting Standards ('IFRS'), as approved by the EU, issued and binding as of the balance sheet date, while for matters not regulated by these Standards in accordance with the Accounting Act dated 29 September 1994. ACTION EUROPE GmbH and LAPADO Handelsgesellschaft GmbH keep their account books in accordance with German accounting laws.

Piotr Bieliński
President of the Management
Board

Sławomir Harazin
Vice-President of the Management
Board

Edward Wojtysiak
Vice-President of the Management
Board

Warsaw, 15 May 2014

II. Interim Condensed Consolidated Financial Statements drawn up in accordance with the International Financial Reporting Standards for the period from 1 January 2014 to 31 March 2014

Selected consolidated financial data

SELECTED CONSOLIDATED FINANCIAL DATA	in thousand PLN		in thousand EUR	
	Q1 cumulative period from 01.01.2014 to 31.03.2014	Q1 cumulative period from 01.01.2013 to 31.03.2013	Q1 cumulative period from 01.01.2014 to 31.03.2014	Q1 cumulative period from 01.01.2013 to 31.03.2013
I. Net sales of products, goods and materials	1 323 596	1 131 910	315 939	271 194
II. Gross profit/loss on sales	76 748	57 600	18 320	13 800
III. Profit/loss from operating activity	23 467	20 320	5 602	4 868
IV. Net profit/loss attributed to the Company's Shareholders	17 322	15 027	4 135	3 600
V. Net cash flows from operating activity	-89 744	30 101	-21 422	7 212
VI. Net cash flows from investment activities	-13 208	-1 023	-3 153	-245
VII. Net cash flows from financial activities	73 201	-3 461	17 473	-829
VIII. Net increases (decreases) in cash	-29 751	25 617	-7 101	6 138
IX. Profit per ordinary share* (in PLN/EUR)	1.04	.92	.25	.22
	As of 31.03.2014	As of 31.12.2013	As of 31.03.2014	As of 31.12.2013
X. Total assets	1 184 763	1 154 240	284 027	278 318
XI. Liabilities	866 604	852 629	207 754	205 591
XII. Long-term liabilities	5 834	7 907	1 399	1 907
XIII. Short-term liabilities	860 770	844 722	206 355	203 685
XIV. Equity attributed to the Company's Shareholders	315 788	299 153	75 705	72 134
XV. Share capital	1 661	1 661	398	401
XVI. Number of shares** (pcs)	16 610 000	16 610 000	16 610 000	16 610 000
XVII. Book value per share*** (in PLN/EUR)	19.01	18.01	4.56	4.34

PLN/EUR exchange rates

Period	Average exchange rate in the period	Minimum exchange rate in the period	Maximum exchange rate in the period	Exchange rate as of the last day of the period
01.01.2014-31.03.2014	4.1894	4.1602	4.2368	4.1713
01.01.2013-31.12.2013	4.211	4.1429	4.3292	4.1472
01.01.2013-31.03.2013	4.1738	4.157	4.187	4.1774

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

**) The number of shares takes into account the change in the nominal value of series A shares from 1 PLN to .10 PLN at the same time dividing 1 share of 1 PLN into 10 shares of a nominal value of 0.10 PLN. The change was made on 11.04.2006 by virtue of a resolution of the Extraordinary General Meeting of Shareholders.

***) The book value per share was calculated as the quotient of share capital attributed to the Company's Shareholders and the number of shares.

The selected financial data presented in the Consolidated Financial Statements was converted into EUR in the following manner:

- items concerning the consolidated statement of comprehensive income and the cash flow statement were converted at the exchange rate being the arithmetic mean of the average exchange rates published by the National Bank of Poland as of the last day of each month, for Q1 2014 this exchange rate stood at EUR 1 = PLN 4.1894, for Q1 2013 – EUR 1 = PLN 4.1738;

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

- items of the consolidated statement of financial position were converted at the average exchange rate published by the National Bank of Poland as of the balance-sheet date; as of 31 March 2014, this exchange rate stood at: EUR 1 = PLN 4.1713, as of 31 December 2013: EUR 1 = PLN 4.1472 and as of 31 March 2013:
EUR 1 = PLN 4.1774.

Consolidated Statement of Comprehensive Income

All revenues and costs relate to continuing activities.

		period from 01.01.2014 to 31.03.2014	period from 01.01.2013 to 31.03.2013
	Note		
Sales revenue	(5.2)	1 323 596	1 131 910
Costs of products, goods and materials sold	(5.3)	-1 246 848	-1 074 310
Gross profit on sales		76 748	57 600
Sales and marketing costs	(5.3.5.4)	-46 413	-32 351
Administrative expenses	(5.3.5.4)	-7 981	-6 167
Other revenues and operating profits	(5.5)	1 742	2 204
Other costs and losses	(5.6)	-629	-966
Profit/loss from operating activity		23 467	20 320
Finance cost	(5.7)	-1 376	-1 583
Profit/loss before tax		22 091	18 737
Income tax	(5.8)	-5 231	-3 528
Share in the net result of the associate		20	-182
Net profit/loss for the financial period		16 880	15 027
Other components of comprehensive income			
Net change due to cash flow hedging		-892	-2 689
Income tax		169	511
Other components - currency translation differences (foreign operation)		54	0
Other components of net comprehensive income that may be reclassified to the profit and loss account		-669	-2 178
Total income for the period		16 211	12 849
Profit/loss net attributed to:			
Company Shareholders		17 322	15 027
minority interest		-442	0
Comprehensive income attributed to:			
Company Shareholders		16 635	12 849
non-controlling interests		-424	0
Profit/loss attributed to the Company's Shareholders per ordinary share (in PLN per share)			
Basic		1.04	.92
Diluted		1.01	.87
Number of shares		16 610 000	16 410 000
Diluted number of shares		17 230 500	17 230 500

Piotr Bieliński
President of the Managing Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 15 May 2014

The basic number of shares comprises 11,910,00 A series shares, 4,500,00 B series shares and 200,000 C series shares. The diluted number of shares comprises the additionally planned issue of 620,500 C series shares.

The basic profit per share is computed as the quotient of the profit attributed to the Company's Shareholders and the weighted average number of ordinary shares during the period. The diluted profit per share is computed as the quotient of the profit attributed to the Company's Shareholders and the weighted average of ordinary shares taking into consideration the planned issue of 620,500 C series shares within conditional increase of the share capital in accordance with the Resolution of the Extraordinary General Meeting of the Company Shareholders dated 15 November 2006 and the Resolution of the Ordinary General Meeting of Shareholders dated 5 December 2007.

The weighted average number of ordinary shares takes into account the change in the nominal value of series A shares from 1 PLN to .10 PLN. The change of the nominal value of A series shares was made by virtue of the resolution of the Extraordinary General Meeting of Shareholders of 11.04.2006. In addition, the weighted average number of ordinary shares was increased by the planned issue of 620,500 C series shares.

Consolidated report on financial condition

	Note	31.03.2014	31.12.2013	31.03.2013
ASSETS				
Fixed assets				
Property, plant and equipment	(5.9)	141 559	124 532	110 914
Goodwill		17 491	13 994	13 994
Other intangible assets		3 145	2 925	1 633
Investment property	(5.10)	3 545	3 545	3 545
Financial assets		0	0	2 726
Share in associates measured under the equity method		2 632	2 612	2 505
Deferred income tax assets	(5.8)	0	5	1
Trade and other receivables		937	921	643
		169 309	148 534	135 961
Current assets				
Inventory	(5.11)	461 973	369 599	343 315
Trade and other receivables		539 917	593 823	406 979
Current income tax receivables		15	11	5
Financial derivatives		113	0	0
Other financial assets		0	4 538	104
Cash and cash equivalents		13 436	37 735	33 289
		1 015 454	1 005 706	783 692
Total assets		1 184 763	1 154 240	919 653
EQUITY				
Equity attributed to the Company's Shareholders				
Share capital		1 661	1 661	1 641
Share premium		58 112	58 112	55 744
Other reserve capitals		30 000	30 000	30 000
Retained earnings		225 589	208 267	186 301
Currency translation differences (foreign operation)		-81	-117	0
Other components of equity		507	1 230	-1 251
		315 788	299 153	272 435
Non-controlling interests		2 371	2 458	0
Total equity		318 159	301 611	272 435
LIABILITIES				
Long-term liabilities				
Loans, borrowings and other financial liabilities	(5.14)	3 223	3 715	142
Trade and other liabilities		0	1 020	0
Deferred income tax provisions	(5.8)	2 611	3 172	2 619
		5 834	7 907	2 761
Short-term liabilities				
Trade and other liabilities		698 600	760 393	535 012
Loans, borrowings and other financial liabilities	(5.14)	157 336	76 851	105 139
Current income tax liabilities		3 805	6 568	3 081
Employee benefit liabilities		1 029	869	542
Financial derivatives		0	41	0
Provisions for other liabilities and other encumbrances	(5.13)	0	0	683
		860 770	844 722	644 457
Total liabilities		866 604	852 629	647 218
Total liabilities		1 184 763	1 154 240	919 653

Piotr Bieliński
President of the Managing Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 15 May 2014

Statement of changes in consolidated equity

	Equity attributed to the Shareholders of the parent						Equity attributed to non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Other reserve capitals	Capital from cash flow hedge valuation	Currency translation differences (foreign operation)		
As at 1 January 2014	1 661	58 112	208 267	30 000	1 230	-117	2 458	301 611
Total comprehensive income			17 322		-723	36	-424	16 211
Dividends paid								0
Others							337	337
As of 31 March 2014	1 661	58 112	225 589	30 000	507	-81	2 371	318 159
As at 1 January 2013	1 641	55 744	171 274	30 000	927	0	0	259 586
Total comprehensive income			61 608		303	-117	-932	60 862
Dividends paid			-24 615					-24 615
Others	20	2 368					3 390	5 778
As at 31 December 2013	1 661	58 112	208 267	30 000	1 230	-117	2 458	301 611
As at 1 January 2013	1 641	55 744	171 274	30 000	927	0	0	259 586
Total comprehensive income			15 027		-2 178			12 849
Dividends paid								
Others								
As at 31 March 2013	1 641	55 744	186 301	30 000	-1 251	0	0	272 435

Piotr Bieliński
President of the Management Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 15 May 2014

Consolidated Cash Flow Statement

Note	period from 01.01.2014 to 31.03.2014	period from 01.01.2013 to 31.03.2013
Cash flows from operating activity		
Profit/loss net attributed to the Company's Shareholders	17 322	15 027
Adjustments:	-107 066	15 074
Income tax	5 231	3 528
Income tax paid	-8 079	-8 432
Depreciation and amortisation of fixed and intangible assets	2 328	2 285
Investment profit (loss)	-154	698
Interest income	0	0
Interest costs	1 376	1 569
Other	-535	-2 029
Changes in working capital:		
Inventory	-92 374	-27 507
Trade and other receivables	53 906	32 366
Trade and other liabilities	-68 765	12 596
Net cash flows from operating activity	-89 744	30 101
Cash flows from investment activities		
Acquisition of property, plant and equipment and intangible assets	-9 362	-1 041
Acquisition of property, plant and equipment and intangible assets	1	14
Other investment inflows/outflows	-3 847	4
Net cash flows from investment activities	-13 208	-1 023
Cash flows from financial activities		
Receipts from issue of shares	0	0
Acquisition of own shares	0	0
Loans and borrowings received	75 034	0
Repayment of loans and borrowings	0	-533
Dividends paid	0	0
Interest paid	-1 318	-1 574
Payment of financial lease liabilities	-515	-1 354
Other financial inflows/outflows	0	0
Net cash flows from financial activities	73 201	-3 461
Net increase/decrease of cash	-29 751	25 617
Opening balance of cash	43 191	7 674
FX gains (losses) on valuation of cash	-4	-2
Closing balance of cash	13 436	33 289

Piotr Bieliński
President of the Management
Board

Sławomir Harazin
Vice-President of the Management
Board

Edward Wojtysiak
Vice-President of the Management
Board

Warsaw, 15 May 2014

Notes to the Interim Condensed Consolidated Financial Statements

1. General information

Company name:	ACTION Spółka Akcyjna
Legal status:	Joint stock company under Polish law
Incorporated in:	Poland
Registered Office:	Warsaw
Address:	ul. Jana Kazimierza 46/54, 01-248 Warsaw
National Court Register (KRS) No.:	0000214038
Telephone number:	(+48 22) 332 16 00
Fax Number:	(+48 22) 332 16 10
E-mail:	action@action.pl
Web-site:	www.action.pl
Statistical Number (REGON):	011909816
Tax Identification Number (NIP):	527-11-07-221

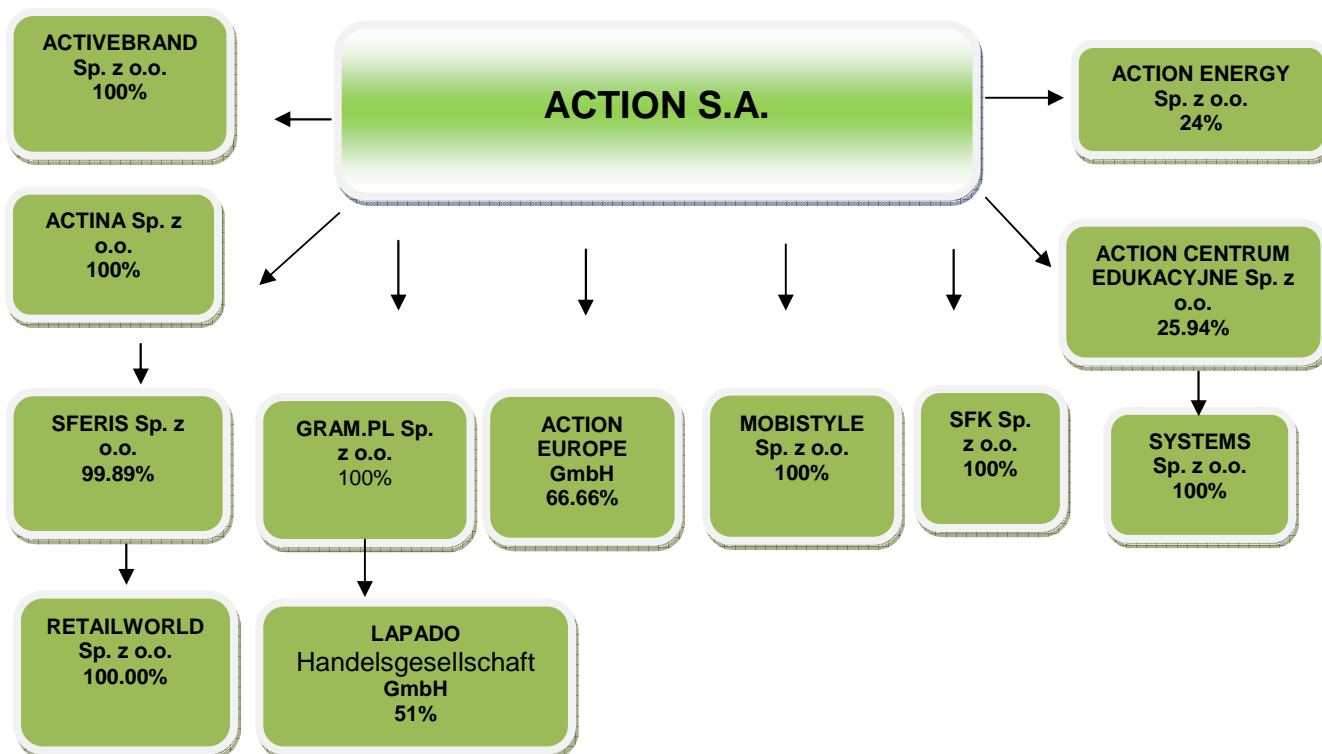
1.1.Scope of Business

ACTION S.A. (Issuer/Company) and its subsidiaries sell computer hardware, consumer electronics and home appliances through wholesalers, their own retail outlets and third party shops. The Group conducts its sales operations principally in Poland. Primary field of the Company's business: wholesale trade in computer accessories (Polish Classification of Activities 2007 4690Z).

ACTION S.A. with its registered office in Warsaw, ul. Jana Kazimierza 46/54, is the parent entity. On 2 August 2004, ACTION Spółka Akcyjna was entered into the Register of Businesses of the National Court Register under KRS number 0000214038 on the basis of the decision of the District Court in Warsaw, 19th Commercial Division of the National Court Register. The legal predecessor of the Issuer – ACTION spółka z ograniczoną odpowiedzialnością (limited liability company), had been registered in the Register of Businesses under KRS no. 0000066230 on the basis of the decision of the District Court in Warsaw, Commercial Division of the National Court Register, of 28 November 2001.

1.2.Composition of the Group

Structure of ACTION S.A. Capital Group



Composition of the Group:

parent:

ACTION S.A.with its registered office in Warsaw

subsidiaries and associates:

SFK Sp. z o.o. with its registered office in Kraków – subsidiary (100%)

ACTINA Sp. z o.o. with its registered office in Warsaw – subsidiary (100%)

SFERIS Sp. z o.o. with its registered office in Warsaw – indirect subsidiary (99.89%) ¹⁾

ACTINA Sp. z o.o. with its registered office in Warsaw – subsidiary (100%) ²⁾

ACTION ENERGY Sp. z o.o. with its registered office in Kraków – associate (24 %) ³⁾

ACTION GAMES LAB Sp. z o.o. (previous name MOBISTYLE Sp. z o.o., initial name: ACTION INVESTMENTS sp. z o.o.) with its registered office in Zamienie - subsidiary (100 %) ⁴⁾

ACTION CENTRUM EDUKACYJNE Sp. z o. o. with its registered office in Warsaw - associate (25.94%) ⁵⁾

SYSTEMS Sp. z o. o. with its registered office in Warsaw – indirect associate (25.94%) ⁶⁾

ACTIVEBRAND Sp. z o.o. with its registered office in Zamienie - subsidiary (100%) ⁷⁾

ACTION EUROPE GmbH (previous name DEVIL GmbH) with its registered office in Braunschweig (Germany) – subsidiary (66.66%) ⁸⁾

RETAILWORLD Sp. z o.o. with its registered office in Stara Iwiczna - indirect subsidiary (99.89%) ⁹⁾

LAPADO Handelsgesellschaft GmbH with its registered office in Potsdam (Germany) - indirect subsidiary (51%) ¹⁰⁾

- ¹ SFERIS Sp. z o.o. with its registered office in Warsaw was consolidated on 5 January 2007,
² GRAM.PL Sp. z o.o. with its registered office in Warsaw was consolidated on 28 May 2009, and on 18 December 2009 the interest was raised to 80%, On 24 May 2010 the interest was raised to 100% by way of a share purchase agreement,
³ ACTION ENERGY Sp. z o.o. with its registered office in Kraków was founded on 3 September 2009,
⁴ ACTION GAMES LAB Sp. z o.o. (previous name MOBISTYLE Sp. z o.o., initial name ACTION INVESTMENTS sp. z o.o.) with its registered office in Zamienie was founded on 12 December 2011. On 14 February 2013 a change of name was entered into the National Court Register – previous name: ACTION INVESTMENTS Sp. z o.o.
⁵ ACTION CENTRUM EDUKACYJNE Sp. z o.o. with its registered office in Warsaw was consolidated on 1 October 2012,
⁶ SYSTEMS Sp. z o.o. with its registered office in Warsaw was consolidated on 1 October 2012,
⁷ ACTIVEBRAND Sp. z o.o. with its registered office in Zamienie was founded on 3 September 2012,
⁸ ACTION EUROPE GmbH (previous name DEVIL GmbH) with its registered office in Braunschweig (Germany) was consolidated on 8 July 2013
⁹ RETAILWORLD Sp. z o.o. with its registered office in Stara Iwiczna was consolidated on 18 November 2013,
¹⁰ LAPADO Handelsgesellschaft GmbH with its registered office in Potsdam (Germany) was consolidated on 1 January 2014,

Changes in the Group's composition during the reporting period:

On 24 January 2014 GRAM PL sp. o.o. acquired 51% of shares (giving the same number of votes at the general meeting of shareholders) in LAPADO Handelsgesellschaft GmbH (Germany). The Company was consolidated on 1 January 2014,

Third party shares in subsidiaries:

SFERIS Sp. z o.o. - .11%, including Piotr Bieliński .055%, Anna Bielińska .055%

ACTION EUROPE GmbH (Germany) - 33.33% including: NEW DEVIL HOLDING GmbH entered into the Commercial Register kept by the District Court of Charlottenburg (Berlin) under number HRB 150462 B.

LAPADO Handelsgesellschaft GmbH - 49%, including: Jacek Mońko 49%

ACTINA Sp. z o.o. deals in the wholesale of computer hardware. ACTION ENERGY Sp. z o.o., founded in 2009, focuses its activity on the renewable energy market. The aim of the company is to create a technological sales centre addressing installers of devices using renewable energy sources. The primary business focus of SFERIS Sp. z o.o. is the retail sale of computer hardware. The activities of GRAM.PL Sp. z o.o. (computer games) focus on online retail sales. SFK Sp. z o.o. provides advertising services. MOBISTYLE Sp. z o.o. began its business activity of selling computer hardware and providing advertising services based on its own internet portal. The primary business focus of ACTION CENTRUM EDUKACYJNE Sp. z o.o. and SYSTEMS Sp. z o.o. is training and IT services, as well as rental of computer hardware. ACTIVEBRAND Sp. z o.o. commences activities in the marketing services sector. ACTION EUROPE GmbH conducts distribution activities in the wholesale of IT products and household appliances. RETAILWORLD Sp. z o.o. commenced operations in the wholesale of IT equipment and IT accessories to foreign customers. LAPADO Handelsgesellschaft GmbH (Germany) distributes IT equipment.

Subsidiaries consolidated as at 31.03.2014

Name (business name) of the entity with legal status	Registered Office	Scope of Business Businesses	Type of relationship (subsidiary, co-subsidiary, associate, including details of direct and indirect relationships)	Competent court or other authority maintaining the register	Applied consolidation method / equity method or statement: "non-consolidated/ equity method not applied"	Date of control/joint-control/significant influence acquisition	Percentage of the share capital held	Share in the total number of votes at the General Meeting
SFK Sp. z o. o.	Kraków	advertising activity	direct subsidiary	District Court for Kraków-Śródmieście, 11th Commercial Division of the National Court Register	full	9 May 2005	100%	100%
ACTINA Sp. z o. o.	Warsaw	wholesale trade in computer hardware	direct subsidiary	District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register (KRS),	full	3 June 2005	100%	100%
GRAM.PL Sp. z o.o.	Warsaw	retail trade	direct subsidiary	District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register (KRS),	full	28 May 2009	100%	100%
ACTION ENERGY Sp. z o. o.	Kraków	wholesale in metal products	associate	District Court for Kraków-Śródmieście, 11th Commercial Division of the National Court Register	measured under the equity method	3 September 2009	24%	24%
SFERIS Sp. z o.o.	Warsaw	retail sale of computer hardware	indirect subsidiary	District Court for the capital city of Warsaw, 13th Commercial Division of the	Full	5 January 2007	99.89%	99.89%

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014

(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

				National Court Register (KRS),				
ACTION GAMES LAB Sp. z o. o. *)	Warsaw	wholesale trade in computer hardware, advertising services	direct subsidiary	District Court for the capital city of Warsaw, 14th Commercial Division of the National Court Register (KRS),	Full	14 December 2011	100%	100%
ACTION CENTRUM EDUKACYJNE Sp. z o. o.	Warsaw	training and IT services as well as rental of computer hardware	associate	District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register (KRS),	measured under the equity method	12 September 2012	25.94 %	25.94 %
SYSTEMS Sp. z o. o.	Warsaw	training and IT services as well as rental of computer hardware	indirect associate	District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register (KRS),	measured under the equity method	12 September 2012	25.94 %	25.94 %
ACTIVEBRAND Sp. z o.o.	Zamienie	advisory services in the scope of carrying out an economic activity	subsidiary	District Court for the capital city of Warsaw, 14th Commercial Division of the National Court Register (KRS),	Full	3 September 2012	100%	100%
ACTION EUROPE GmbH **)	Braunschweig (Germany)	wholesale trade in computer hardware	subsidiary	District Court in Braunschweig (Amtsgericht Braunschweig)	Full	8 July 2013	66.66%	66.66%
RETAILWORLD Sp. z o. o.	Stara Iwiczna	wholesale trade in computer hardware	indirect subsidiary	District Court for the capital city of Warsaw, 14th Commercial Division of the National Court Register (KRS),	Full	18 November 2013	99.89%	99.89%
LAPADO Handelsgesellschaft GmbH	Potsdam (Germany)	wholesale trade in computer hardware	subsidiary	District Court in Potsdam (Amtsgericht Potsdam) no. HRB 25042	Full	24 January 2014	51%	51%

* A change of the company name was entered into the National Court Register on 6 May 2014. Previous name MOBISTYLE Sp. z o.o.. Initial name: ACTION INVESTMENTS sp. z o.o.

** A change of the company name was entered into the National Court Register on 11 April 2014. Previous name DEVIL GmbH.

2. Principles applied in the preparation of the statements

The Interim Condensed Consolidated Financial Statements of the ACTION S.A. Capital Group for Q1 2014 were prepared in line with IAS 34 *Interim Financial Reporting*.

The Interim Condensed Consolidated Financial Statements prepared for the period from 1 January 2014 to 31 March 2014 contain comparative data for the period from 1 January 2013 to 31 March 2013.

Key accounting principles applied in the preparation of these Interim Consolidated Financial Statements are presented below. These principles were applied continuously throughout the analysed periods unless stated otherwise.

2.1. General principles of preparation

These Interim Condensed Consolidated Financial Statements were prepared in accordance with the historical cost principle, except for marketable financial assets held for trading (derivatives) valued by their fair value.

The Interim Condensed Consolidated Financial Statements were drawn up with the application of the going concern principle for the foreseeable future.

As of the day of approving these Interim Condensed Consolidated Financial Statements, no circumstances indicated any threats to the business continuity by the Group.

The Interim Condensed Consolidated Financial Statements do not cover all the data or all the disclosures required in the Annual Consolidated Statements and they shall be read in conjunction with the Consolidated Financial Statements of the Group drawn up in line with the IFRS for the financial year ended 31 December 2013 and published on 20 March 2014.

2.2. Statement of compliance

These Interim Condensed Consolidated Financial Statements for the period from 1 January 2014 to 31 March 2014 were prepared in accordance with the International Financial Reporting Standards ("IFRS") approved by the European Union, in particular in accordance with the International Accounting Standard 34 Interim Financial Reporting applicable hereto. As of the date of approving these Financial Statements, as far as the accounting principles applied by the Group are concerned, there are no differences between the IFRS which have already come into force and the standards and interpretations approved by the European Union.

The IFRS comprise standards and interpretations published by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

2.3. Important accounting principles

The accounting principles (policy) applied to prepare these Condensed Consolidated Financial Statements for Q1 2014 are consistent with those applied to prepare the Annual Consolidated Financial Statements for 2013.

A detailed description of the accounting principles adopted by the ACTION S.A. Capital Group is presented in the Annual Consolidated Financial Statements for 2013 published on 20 March 2014.

The effect of applying new accounting standards and amendments to the accounting policy

The accounting principles (policy) applied to prepare these Condensed Consolidated Financial Statements for Q1 2014 are consistent with those applied to prepare the Annual Consolidated Financial Statements for 2013.

The same principles were applied for the current and comparative period. A detailed description of the accounting principles adopted by the Group is presented in the Annual Consolidated Financial Statements for 2013 published on 20 March 2014.

▪ **Changes resulting from amendments to the IFRS**

The following new or amended standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee have been applicable since 1 January 2014:

- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IAS 27 *Separate Financial Statements*
- IAS 28 *Investments in Associates and Joint Ventures*
- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*
- *Recommendations concerning transitory provisions (Amendments to IFRS 10, IFRS 11 and IFRS 12)*
- *Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*
- Amendments to IAS 36 *Disclosures relating to the recoverable value of non-financial assets*
- Amendments to IAS 39 *Novation (renewal) of derivatives and hedge accounting continuation*

Their application did not have any impact on the activity results or the financial situation of the Group and only resulted in amending the accounting principles applied, broadening the scope of obligatory disclosures or altering the terminology used.

Major consequences of applying new regulations.

- IFRS 10 *Consolidated Financial Statements*

The new standard was published on 12 May 2011 and is to replace the interpretation *SIC 12 Consolidation – Special Purpose Entities* and certain provisions of *IAS 27 Consolidated and Separate Financial Statements*. The standard defines the term of control as the factor determining whether the entity should be consolidated in the financial statements and it contains guidelines helping one to determine whether the entity exercises control or not

Application of the new standard does not have any impact on the Group's Financial Statements.

- IFRS 11 *Joint Arrangements*

The new standard was published on 12 May 2011 and it is to replace the interpretation *SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers* and *IAS 31 Interests in Joint Ventures*. The standard focuses on the rights and obligations resulting from joint agreements regardless of its legal form and it eliminates any inconsistencies in reporting by specifying the method of settling shares in jointly controlled entities.

Application of the new standard does not have any impact on the Group's Financial Statements.

- IFRS 12 *Disclosure of Interests in Other Entities*

The new standard was published on 12 May 2011 and contains a list of disclosure requirements concerning engagements in other entities or investments.

Application of the new standard does not have any impact on the Group's Financial Statements.

- IAS 27 *Separate Financial Statements*

The new standard was published on 12 May 2011 and primarily results from the transfer of certain provisions of the current *IAS 27* to the new *IFRS 10* and *IFRS 11*. The standard defines requirements concerning presentation and disclosures in separate financial statements on investments in associates, subsidiaries and joint ventures. The standard will replace the current *IAS 27 Consolidated and Separate Financial Statements*.

Application of the new standard does not have any impact on the Group's Financial Statements.

- *IAS 28 Investments in Associates and Joint Ventures*

The new standard was published on 12 May 2011 and refers to settling investments in associates. Moreover, it defines requirements of applying the equity method in investments in associates and in jointly controlled entities. The standard will replace the current IAS 28 *Investments in Associates*.

Application of the new standard does not have any impact on the Group's Financial Statements.

- *Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities*

Amendments to IAS 32 were published on 16 December 2011 and they apply to annual periods beginning on 1 January 2014 or thereafter. These amendments were introduced in response to existing incoherence regarding the application of the offsetting criteria in IAS 32.

Application of the new standard does not have any impact on the Group's Financial Statements.

- *Recommendations concerning transitory provisions (Amendments to IFRS 10, IFRS 11 and IFRS 12)*

The recommendations were published on 28 June 2012 and contain additional information regarding the application of IFRS 10, IFRS 11 and IFRS 12, including the presentation of comparative data in the case of first-time adoption of these standards.

Application of the above changes does not have any impact on the Group's Financial Statements.

- *Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*

Recommendations were published on 31 October 2012 and contain other principles regarding the application of IFRS 10 and IFRS 12 in the case of entities meeting the definition of investment funds.

Application of the above changes does not have any impact on the Group's Financial Statements.

- *Amendments to IAS 36 Disclosures relating to the recoverable value of non-financial assets*

Amendments to IAS 36 were published on 29 May 2013 and they apply to annual periods beginning on 1 January 2014 or thereafter. The changes result in a modification of the scope of disclosure in relation to the impairment of non-financial assets; they require disclosure of the recoverable amount of assets (cash-generating unit) only in the periods in which an impairment or increase in relation to the asset (or unit). In addition, it results from the revised standard that the broader and more precise scope of disclosure in the case of determining the recoverable amount as fair value less sales costs will be required. In the case of a determination of fair value less sales costs using a technique for determining the present value (discounted cash flows) providing information about the applied discount rate (in the case of recognition of impairment or increase) will be required.

Changes also adjust the scope of disclosures relating to the recoverable amount, regardless of whether it has been determined as the value in use or fair value less sales costs.

Application of the above changes does not have any impact on the Group's Financial Statements.

- *Amendments to IAS 39 Novation (renewal) of derivatives and hedge accounting continuation*

Amendments were published on 27 June 2013 and apply to annual periods beginning on 1 January 2014 or thereafter. The changes allow continuing the use of hedge accounting (under certain conditions) when the derivative hedging instrument which is renewed as a result of legal regulations, results in a change in settlement institution. Amendments to IAS 39 result from legal changes in many countries, which resulted in the compulsory settlement of existing OTC derivatives and renewal through an agreement with the central settlement institution.

Application of the above changes does not have any impact on the Group's Financial Statements.

Non-applicable standards (new standards and interpretations)

In these Financial Statements the Group decided not to apply the following published standards or their interpretations prior to the effective date thereof.

The following standards and interpretations had been issued by the International Accounting Standards Committee or the International Financial Reporting Interpretations Committee though they were not effective as of the balance sheet day:

- *IFRS 9 Financial Instruments*

The new standard was published on 12 November 2009 and it is the first step of the IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. After the publication, the new standard underwent further work and was partially amended. The new standard will come into effect on 1 January 2015.

The Group will apply the new standard as of 1 January 2015.

As of the date of preparing these Financial Statements, it is not possible to assess reasonably the impact of applying the new standard.

- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (*Annual Improvements 2010-2012*)

On 12 December 2013 further amendments were published to seven standards resulting from draft amendments proposed to the International Financial Reporting Standards published in May 2012. They apply predominantly to annual periods beginning on 1 July 2014 or thereafter.

The Group has been applying the amended standards since 1 January 2015, unless another date for their coming into force has been specified.

The application of the amended standards will not have any material impact on the Group's Financial Statements.

- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (*Annual Improvements 2011-2013*)

On 12 December 2013 further amendments were published to four standards resulting from draft amendments proposed to the International Financial Reporting Standards published in November 2012. They apply predominantly to annual periods beginning on 1 July 2014 or thereafter.

The Group will apply the amended standards from 1 January 2015, unless another date for their coming into force has been specified.

The application of the amended standards will not have any material impact on the Group's Financial Statements.

- The amendment to IAS 19 *Benefit plans - employee contributions*

The amendment was published on 21 November 2013 and applies to annual periods beginning on 1 July 2014 or thereafter. The amendments clarify and, in some cases, simplify the accounting policies for employee contributions (or other third parties) contributed to defined benefit plans.

The Group will apply the new standard in terms of the changes as of 1 January 2015.

Application of the changed standard will not have any impact on the Group's Financial Statements.

- IFRS 14 *Regulatory Deferral Accounts*

The new standard was published on 30 January 2014 and it applies to annual periods beginning on 1 January 2016 or thereafter. The new standard is temporary due to the ongoing work of the IASB on the issue of the accounting for transactions in terms of price regulation. The standard introduces principles for recognizing assets and liabilities arising in connection with the transactions of regulated prices when the entity decides to transition to IFRS.

The Group will apply the new standard as of 1 January 2016.

Application of the changed standard will not have any impact on the Group's Financial Statements.

- Interpretation IFRIC 21 *Levies*

The new interpretation was published on 20 May 2013 and applies to annual periods beginning on 1 January 2014 or thereafter. The interpretation provides guidance as to what periods liabilities to pay levies shall be recognized.

The Group will apply the new interpretation from the date stated in the Regulation of the European Commission, adopting the interpretation for use in the European Union.

As at the date of preparation of these financial statements a new interpretation is not expected to influence the financial statements of the Group.

The IFRS, as approved by the EU, do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, interpretations and amendments thereto which had not been approved by the EU as of the date of approving these Financial Statements.

- IFRS 9 *Financial Instruments* published on 12 November 2009 (as amended),
- The amendment to IAS 19 *Benefit plans - employee contributions* published on 21 November 2013,
- IFRS 14 *Regulatory Deferral Accounts* published on 30 January 2014,

- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (*Annual Improvements 2010-2012*) published on 12 December 2013,
- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (*Annual Improvements 2011-2013*) published on 12 December 2012,
- Interpretation IFRIC 21 *Levies* published on 20 May 2013.

Amendments implemented independently by the Company

The Group did not make any changes to the comparative data. of the *Consolidated financial statements*.

2.4.Presentation currency, transactions in foreign currencies and valuation of items expressed in foreign currencies

Functional currency and presentation currency

The Polish zloty is the functional currency of the dominant entity as well as the presentation currency for these Interim Condensed Consolidated Financial Statements.

These Interim Condensed Consolidated Financial Statements were prepared in the Polish zloty ("PLN") and all amounts are presented in thousands of zloty (PLN M) unless specified otherwise.

3. Major estimates and judgements

Drawing up the Interim Condensed Financial Statements requires the Management Board to make certain estimates as certain data included in the Financial Statements cannot be measured in a precise manner. The Management Board verifies the estimates adopted on the basis of changes in factors taken into consideration in order to make the said estimates, new data or past experience. Therefore, the estimates made as at 31 March 2014 may be subject to adjustments in the future.

Areas for which the estimates made as of the reporting date carry a risk of material adjustments of the carrying value of the assets and liabilities declared in the next or subsequent financial years are:

3.1.Acquisition of property, plant and equipment and intangible assets

As of 31 March 2014, the companies of the Group estimated the useful life of property, plant and equipment and intangible assets. The analysis did not demonstrate the necessity to make any adjustments in this area.

3.2.Impairment of goodwill and other intangible assets in subsidiaries

As of 31 March 2014, the companies of the Group estimated whether there were any premises indicating a loss of value of any investments in the subsidiaries (goodwill and other intangible assets).

Having analysed external and internal sources of information, the Management Board did not identify any premises that would indicate a need to recognise any additional impairment write-off.

3.3.Taxes

Taking into consideration the complexity of the tax law and the incoherence of tax interpretations, the Group evaluates potential risks related to it. Deferred tax assets and provisions are recognised with respect

to those items which will require a tax payment in the short term, provided taxable income is generated at a level that allows these amounts to be settled.

Routine fiscal inspections and explanatory proceedings take place in ACTION S.A., particularly in the area of correctness of VAT settlements. In the opinion of the Board, there is a risk of a dispute with the tax authorities in connection with the control in respect of VAT for the year 2008 received on 18 March 2014, therefore, in the result for 2013 a provision for future liabilities for VAT in the amount of PLN 3 500 thousand which reflects management estimates of the risks of potential tax refund was established.

3.4. Employee benefits

The current value of retirement and disability benefits is established using the actuarial method. In order to determine the said value using the actuarial method, it is necessary to adopt certain assumptions concerning discount rates, projected pay rises or projected increases of retirement benefits. Having regard to the complexity of the valuation, the assumptions adopted as well as the long-term nature, liabilities on account of retirement and disability benefits are sensitive to changes in their underlying assumptions. All the assumptions are verified as of the balance sheet day.

3.5. Recognition of the costs of products, goods and materials sold

As of each balance-sheet date, the Group calculates the value of the post-transactional rebates that are due from suppliers but have not been settled as of the balance-sheet date. The estimates are based on the terms of rebates agreed with the suppliers as evidenced in contracts or otherwise at amounts confirmed by suppliers.

3.6. Write-downs on receivables

The companies of the Group update the value of their receivables on an ongoing basis taking into account the probability of payment by means of appropriate write-downs. The probability assessment is based on the management's judgement of collectability of overdue receivables and the evaluation of the risk of their non-collectability.

4. Information about operating segments

Since 1 January 2010, the ACTION S.A. Capital Group has been obliged to present its results in the layout defined in IFRS 8 *Operating Segments*.

This standard defines the segment as a component of an entity:

- which engages in business activities that allow the making of revenues and incurring of costs;
- whose operating results are regularly reviewed by a central body which is responsible for making decisions with regard to the entity's operations and which relies on these results while making decisions on allocating resources to the segment;
- for which separate financial information is available.

In relation to the definitions included in IFRS 8, the activity of the Group based on the distribution of IT products, consumables and consumer electronics was presented in these Statements within one operating segment because:

- sales revenues and profits derived from this activity exceed the total of 75% of the revenues generated by the Capital Group;

- no separate financial information is prepared for individual sales channels, which is a result of the industry-specific pattern of collaboration with suppliers whose products are distributed through all the sales channels used;
- due to the lack of isolated segments, i.e. no availability of separate financial information for individual product groups, operating decisions are made on the basis of numerous detailed analyses and financial results from the sale of all products in all distribution channels;
- the Management Board of ACTION S.A., the central body responsible for making decisions with regard to the entity's operations, due to the specific nature of distribution in individual sales channels, makes decisions to allocate resources on the basis of achieved and predictable results of the Capital Group as a whole as well as planned returns on allocated resources and the analysis of the business environment.

5. Revenues and expenses

5.1. Seasonal nature of sales

The Group records the highest sales in the fourth quarter of the financial year, i.e. between October and December. Sales during the other quarters remains at a similar level. This does not mean, however, significant seasonal or cyclical revenues.

5.2. Sales revenue

The entire sales revenues are related to the sale of computer hardware, IT equipment and home appliances.

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Revenues from sales of products (services)	28 681	17 137
Sales of goods and materials	1 294 915	1 114 773
	1 323 596	1 131 910

5.3. Costs by type

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Depreciation and amortisation of fixed and intangible assets	2 328	2 285
Costs of employee benefits	17 715	13 018
Consumption of materials and energy	2 093	1 974
Third-party services	19 547	14 021
Taxes and fees	747	496
Costs of advertising	8 990	6 140

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

Property and life insurance	783	374
Other primary costs	2 191	210
Costs of products, goods and materials sold, including	1 246 848	1 074 310
- write downs to inventory	814	0
Total costs of products, goods and materials sold, selling and marketing expenses as well as general and administrative expenses	1 301 242	1 112 828

5.4. Costs of employee benefits

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Wages and salaries	14 776	10 998
Social insurance and other benefits	2 939	2 020
	17 715	13 018

5.5. Other revenues and operating profits

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Surplus of exchange rate gains	0	366
Revenues from measurement of financial instruments	154	0
Interest income	377	376
Revenues from overdue liabilities	31	52
Revenues from indemnities received	869	117
Revenues from provisions released	0	216
Revenues from donations received	128	251
Other revenues	180	812
Profit on disposal of non-financial fixed assets	3	14
	1 742	2 204

5.6. Other costs and losses

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Surplus of negative FX differences	65	0
Costs of indemnities paid	413	94
Cost due to measurement of financial instruments	0	0
Costs of write-downs on receivables	1	188
Costs of write-offs on receivables	9	6
Costs of disposal of non-financial fixed assets	0	0
Grant expenses	0	0
Costs of write-downs on financial assets	0	200

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

Other expenses	141	383
	629	966

5.7.Finance cost

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Interest on loans and borrowings	1 018	1 199
Interest on leases	52	113
Interest and discount due to factoring	306	271
	1 376	1 583

5.8.Income tax

	For the period 1.01.2014 – 31.03.2014	For the period 1.01.2013 – 31.03.2013
Current tax	5 618	5 212
Deferred income tax	-387	-1 684
	5 231	3 528

Deferred income tax

Values of the deferred income tax subject to off-setting: Values of the deferred income tax subject to off-setting:

	31.03.2014	31.12.2013
Deferred income tax assets		
– deferred income tax assets falling due within 12 months	9 413	5 808
	9 413	5 808
Deferred income tax provisions		
– deferred income tax provisions falling due within 12 months	12 024	8 975
	12 024	8 975
Deferred income tax assets	0	5
Deferred income tax provisions	2 611	3 172
Deferred income tax assets/provisions (on the whole)	-2 611	-3 167

Changes in the deferred income tax (with the set-off of assets and provisions taken into account):

	31.03.2014	31.12.2013
At the beginning of the period	-3 167	-4815
Credit to / charge on the financial result	387	1 718
Increase/decrease in equity	169	-70
Closing balance	-2 611	-3 167

5.9. Property, plant and equipment

During the period covered by the report the Group incurred capital expenditure of PLN 9 362 thousand, including construction of the warehouse for PLN 8 343 thousand.

5.10. Investment property

The investment real property having the combined value of 3545 thousand PLN comprise rights of perpetual usufruct to land, ownership rights to buildings used so far for operating activities of 2807 thousand PLN with notarial fees of 24 thousand PLN and outlays on initiated investments of 714 thousand PLN reclassified from property, plant and equipment.

Investment real property is valued at the purchase price less depreciation write-offs.

As of the date of drawing up these Interim Condensed Financial Statements, there were no restrictions in place as to the use of investment real property by the Company, obtaining rent-related economic benefits or disposal of the aforesaid real property. Investment real property does not constitute security for liabilities due to loans, borrowings or transactions.

5.11. Inventory

	31.03.2014	31.12.2013	31.03.2013
Materials	0	0	0
Goods	463 326	371 766	345 188
Advance payments for deliveries	0	0	0
	463 326	371 766	345 188
Write-downs on inventory	-1353	-2167	-1873
Inventory	461 973	369 599	343 315

Write-downs on inventory

	31.03.2014	31.12.2013	31.03.2013
Opening write-down on inventory	-2 167	-1 873	-1 873
Created (Costs of products, goods and materials sold)	0	-313	0
Used	0	19	0
Released (Costs of products, goods and materials sold)	814	0	0
Closing write-down on inventory	-1 353	-2 167	-1 873

The write-down was released as a result of revaluation of merchandise based on inventory ageing. Both as of 31 March 2014 and as of 31 December 2013 the Group did not have stock valued at the net selling price.

5.12. Write-downs on trade and other receivables

	31.03.2014	31.12.2013	31.03.2013
Write-downs on receivables at the beginning of the period	-12 153	-12 511	-12 511
Created	-4	-2 359	-286
Used	13	1 615	385
Released	3	1 102	58
Write-downs on receivables at the end of the period	-12 141	-12 153	-12 354

5.13. Provisions for other liabilities and other encumbrances

	Provisions for liabilities	Other	Overall	- of which: long-term	- of which: short-term
As at 1 January 2014	0	0	0	0	0
Created	0	0	0	0	0
Used	0	0	0	0	0
Released	0	0	0	0	0
As at 31 March 2014	0	0	0	0	0
As at 1 January 2013	683	0	683	0	683
Created	0	0	0	0	0
Used	0	0	0	0	0
Released	683	0	683	0	683
As at 31 December 2013	0	0	0	0	0
As at 1 January 2013	683	0	683	0	683
Created	0	0	0	0	0
Used	0	0	0	0	0
Released	0	0	0	0	0
As at 31 March 2013	683	0	683	0	683

5.14. Loans, borrowings and other financial liabilities

	31.03.2014	31.12.2013	31.03.2013
Long-term			
Investment credit facility	0	0	0

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

Liabilities under lease agreements	3 223	3 715	142
	3 223	3 715	142
Short-term			
Overdraft facility and investment loan	155 294	74 852	97 866
Liabilities under lease agreements	2 042	1 999	7 273
	157 336	76 851	105 139
Total:	160 559	80 566	105 282

Structure of liabilities due to loans and borrowings by age

	31.03.2014	31.12.2013	31.03.2013
Liabilities with the repayment period calculated from the balance sheet day			
Up to 1 year	155 294	74 852	97 866
In the period between 1 and 5 years	0	0	0
Over 5 years	0	0	0
Total:	155 294	74 852	97 866

Liabilities under lease agreements

	31.03.2014	31.12.2013	31.03.2013
Nominal value of minimum lease charges			
Up to 1 year	2 210	2 214	7 411
In the period between 1 and 5 years	3 339	3 933	145
Over 5 years	0	0	0
Total financial lease liabilities - total minimum lease charges	5 549	6 147	7 556
Financial expenses due to financial lease	284	433	141
Nominal value of minimum lease charges			
Up to 1 year	2 042	1 999	7 273
In the period between 1 and 5 years	3 223	3 715	142
Over 5 years	0	0	0
Total nominal value of minimum lease charges	5 265	5 714	7 415

5.15.Hedge accounting

The Company hedges foreign exchange risk relating to the sales indexed at the EUR and USD exchange rate as denominated in EUR and USD using currency cash items, i.e. trade liabilities decreased by trade

receivables and cash and increased/ decreased by the denomination of FX Forwards and FX Swaps for currency sales/ purchase. The Company indicates designated currency cash items as hedging instruments in the cash flow hedging model and recognises them in accordance with the hedge accounting principles. The tables below present basic parameters of currency cash items designated for hedging instruments, including the periods when cash flows from cash flow hedging will occur and when they will influence the financial result as well as their fair value in Polish zloty as at 31 March 2014.

Hedging instruments – EUR

(amounts in Polish zloty)

Type of instrument	Nominal value		Fair value*		Expected realisation period of the hedged position	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Trade liabilities	-100 461 999	-90 560 454	-100 461 999	-90 560 454	April/May 2014	April/May 2013
Trade receivables	42 789 963	52 347 026	42 789 963	52 347 026	April/May 2014	April/May 2013
Cash	11 853	6 225 941	11 853	6 225 941	April/May 2014	April/May 2013
FX Forward EUR	-8 342 600	-	73	-	April/May 2014	April/May 2013
Credits	-24 058 181	-61 044 978	-24 058 181	-61 044 978	April/May 2014	April/May 2013
Finance lease	-4 757 227	-7 643 264	-4 757 227	-7 643 264	April/May 2014	April/May 2013
Total cash items	-94 818 191	-100 675 730	-86 475 518	-100 675 730		

Hedging instruments – USD

(amounts in Polish zloty)

Type of instrument	Nominal value		Fair value*		Expected realisation period of the hedged position	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Trade liabilities	-73 080 788	-28 233 131	-73 080 788	-28 233 131	April/May 2014	April/May 2013
Trade receivables	31 127 434	11 903 752	31 127 434	11 903 752	April/May 2014	April/May 2013
Cash	1 311 039	132 912	1 311 039	132 912	April/May 2014	April/May 2013
FX Forward USD	12 137 600	-	40	-	April/May 2014	April/May 2013
Credits	-1 083 298	-47 624 260	-1 083 298	-47 624 260	April/May 2014	April/May 2013
Finance lease	-	-	-	-	April/May 2014	April/May 2013
Total cash items	-29 588 012	-63 820 728	-41 725 572	-63 820 728		

*) For items different than FX Forward transactions, the balance-sheet value was given. In the Company's opinion, the balance-sheet value of these items does not significantly diverge from their fair value.

Change in the fair value of cash flow hedges reflected in equity
(amounts in Polish zloty)

	3 months until 31 March 2014	3 months until 31 March 2013
Opening balance	1 518 365	1 144 842
Effective part of profit/ loss on a hedging instrument	-127 380	-4 637 061
Amounts recognised in the income statement, of which:	765 183	-1 947 388
- adjustment of other revenues and profits / other costs and losses	765 183	-1 947 388
- adjustment due to ineffectiveness of hedging	-	-
Closing balance	625 802	-1 544 831

6. Contingent assets and liabilities

As at 31 March 2014, the Group had contingent receivables relative to the repayment of liabilities of PLN 11,608 thousand. Security liabilities resulting from agreements signed as at the reporting date and not reflected in the Interim Consolidated Financial Statements of the Company amounted to PLN 45,517 thousand as at 31 March 2014 and to PLN 30,729 thousand as at 31 December 2013.

	31.03.2014	31.12.2013	31.03.2013
1. Contingent receivables	11 608	11 074	8 850
1.1. From other entities (due to)	11 608	11 074	8 850
- guarantees and sureties received	11 608	11 074	8 850
2. Contingent liabilities	45 517	30 729	26 410
1.1. For other entities (due to)	45 517	30 729	26 410
- guarantees and sureties granted	13 729	8 902	9 154
- letters of credit	31 788	21 827	17 256
3. Other (due to)	0	0	0
Total off-balance sheet items	57 125	41 803	35 260

7. Events after the balance sheet date

1 April 2014 ACTION SA acquired 33.33% of shares (giving the same number of votes at the general meeting of shareholders) of ACTION EUROPE GmbH (formerly DEVIL GmbH, Germany), a distributor of computer hardware, for a total price of EUR 1 000 thousand (PLN 4,208 thousand). As a result of the transaction, ACTION SA became the sole shareholder of the company. ACTION EUROPE GmbH commenced its operations in July 2013.

Acquired net assets and goodwill as of the acquisition of shares amounted to:

	Fair value	Carrying value
Property, plant and equipment	404	404
Intangible assets	116	116

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

Short-term accounts receivable	30 024	30 024
Inventory	14 545	14 545
Cash	913	913
Trade and other liabilities	-40 488	-40 488

Net assets	5 514	5 514
-------------------	--------------	--------------

Fair value of acquired net assets (33.33% of shares)	1,838.....
Purchase price - cash paid(EUR 1,000,000)	4,208
Goodwill	2,370
Non-controlling interests (0 % shares)	0

III. Other quarterly financial information

1. Description of the Issuer's significant achievements and failures in the period covered by the statements together with a list of the most important events relating thereto.

	Q1 2014	Q1 2013
Net Sales	1 323 596	1 131 910
Gross profit on sales	76 748	57 600
<i>gross margin</i>	<i>5.8%</i>	<i>5.1%</i>
EBIT	23 467	20 320
<i>EBIT margin</i>	<i>1.8%</i>	<i>1.8%</i>
Net profit	17 322	15 027
<i>net margin</i>	<i>1.3%</i>	<i>1.3%</i>

In Q 1 2014, the Group achieved sales revenues of PLN 1,323,596 thousand, a 16.9% increase compared to the sales in the same period of the previous year.

This increase was a result of intensified efforts to build more efficient business models. There was an increase in sales to both domestic and foreign customers in the reporting period. In domestic transactions, sales increased, in particular, in the area of electronics / appliances and in dealers' channel and sales networks.

Despite difficult market conditions, strong competition and a pressure to lower prices, the Group's gross sales margin reached 5.8%.

The gross margin on sales increased compared to Q1 2013 by 0.7%, which is a consequence of the consolidation of German companies: ACTION EUROPE GmbH (formerly DEVIL GmbH) and LAPADO Handelsgesellschaft GmbH.

An operating profit of PLN 23,467 thousand was achieved by both the factors described above and an effective supervision over the maintenance of cost discipline in all companies of the Group. Its increase in operating profit in relation to the level achieved in the same period of the previous year reached 15.5%.

The net profit earned by the ACTION S.A. Capital Group in Q1 2014 amounted to PLN 17,322 thousand and increased by PLN 2,295 thousand, i.e. by 15.3% compared to that earned in the same period of 2013. The net profit margin was maintained at the same level equal to 1.3%.

2. Description of factors and events, especially non-typical factors and events, having a substantial impact on the financial result achieved

In Q1 2014, there were no usual factors and events with significant impact on the financial results of the Group.

3. Issue, redemption and repayment of non-equity and equity securities

On 17 June 2013 ACTION SA issued 1,000 B/2013 series bonds having the nominal value of PLN 1,000 each totalling at PLN 1,000 thousand. All the bonds were acquired on 26 June 2013 by GRAM.PL Sp. z o.o., a subsidiary of the Issuer. The obligation to pay the bonds was settled in cash. The redemption date of the above-mentioned bonds was due on 24 January 2014. The settlement for the redemption of the bonds was made in cash.

4. Information about the dividend paid/declared

On 23 April 2014, the Board of ACTION SA drew up a proposal for the distribution of profit for year 2013 covering the period from 1 January 2013 to 31 December 2013.

The Board of ACTION SA proposed that the profit for the period in the amount of PLN 62,767,647.73 was divided as follows:

1. the amount PLN 16,610,000 i.e. PLN 1 per share, shall be earmarked for the payment of the dividend to the Company's Shareholders,
2. the amount of PLN 46,157,647.73 will be allocated to supplementary capital,
3. in the case where D series shares of the Company issued under Resolution No. 5 of the Extraordinary General Meeting of Shareholders of ACTION S.A. of 16 April 2014 participate in the dividend for the financial year 2013, then pursuant to the provisions of § 1 (3) (1) thereof the amount of the dividend per each D series share shall amount to PLN 1 In the case of D series share issuance, the total amount of the dividend and the amount earmarked for the supplementary capital shall be modified as appropriate, depending on the number of D series shares participating in the dividend for financial year 2013.

5. Statement of the Management Board of the Company on the probability of meeting the previously published forecasts for the given year in the light of the results presented in the quarterly statements in relation to the forecasts:

On 8 April 2014 the Management Board of ACTION S.A. published the two-variant forecast of results that the ACTION Capital Group plans to achieve in years 2014 and 2015.

Variant one of the forecast takes into account the effect of the issuance of D-series shares of the Issuer. Assumptions of variant two do not include the issuance of D-series shares of the Issuer.

variant one:

Sales revenue:

2014: PLN 5,650,000 thousand

2015: PLN 6,780,000 thousand

Net profit:

2014: PLN 73,450 thousand

2015: PLN 91,530 thousand

Variant two:

Sales revenue:

2014: PLN 5,450,000 thousand

2015: PLN 5,995,000 thousand

Net profit:

2014: PLN 70,850 thousand

2015: PLN 80,933 thousand

6. Consequences of changes in the structure of the Group

24 January 2014 ACTION SA acquired 51% of shares (giving the same number of votes at the general meeting of shareholders) of LAPADO Handelsgesellschaft GmbH (Germany), a distributor of computer hardware, for a total price of EUR 913,200 thousand (PLN 3,847 thousand). LAPADO Handelsgesellschaft GmbH commenced its operations in January 2012.

Acquired net assets and goodwill as of the acquisition of shares amounted to (in PLN thousand):

Fair value of acquired net assets of LAPADO Handelsgesellschaft GmbH	687
Fair value of acquired net assets (51% of shares)	350.....
Purchase price - cash paid (EUR 913,200)	3,847
Goodwill	3,497
Non-controlling interests (49 % shares)	337

7. Shareholders holding, directly or indirectly through their subsidiaries, at least 5% of total votes at the Company's general meeting as at the date of submitting the Quarterly Statements, including the number of shares held by such entities, their percentage share in the share capital, the number of votes conferred by those shares and their percentage share in the total votes at the general meeting and specification of changes in the ownership structure of the Company.

According to the information available to the Company, the following shareholders hold at least 5% of the total number of votes at the General Meeting of Shareholders as at the date of the submitted previous statements for 2013, i.e. 20 March 2014:

Natural or legal person	Number of shares held	Percentage share in the capital of ACTION S.A.
Piotr Bieliński	3 614 749	21.76%
Olgierd Matyka *)	3 093 457	18.62%
GENERALI OFE*)	1 793 000	10.80%
Wojciech Wietrzykowski *)	1 199 390	7.22%
AVIVA OFE AVIVA BZ WBK *)	1 000 000	6.02%

*) As of 2 April 2014

According to the information available to the Company, the above data did not change as at the date of submitting these Statements for Q1 2014, i.e. 15 May 2014, and it is follows:

Natural or legal person	Number of shares held	Percentage share in the capital of ACTION S.A.
Piotr Bieliński	3 614 749	21.76%
Olgierd Matyka *)	3 093 457	18.62%
GENERALI OFE*)	1 793 000	10.80%
Wojciech Wietrzykowski *)	1 199 390	7.22%
AVIVA OFE AVIVA BZ WBK *)	1 000 000	6.02%

*) As of 2 April 2014

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

As at the date of submitting the statements for 2013, i.e. 20 March 2014, the persons managing and supervising ACTION S.A. were in the possession of the following number of shares:

First and last name	Position in the management of ACTION S.A.	Number of shares of ACTION S.A. held
Piotr Bieliński	President of the Managing Board	3 614 749
Edward Wojtysiak	Vice-President of the Management Board	0
Sławomir Harazin	Vice-President of the Management Board	15 017
Iwona Bocianowska	Chairman of the Supervisory Board	0
Grażyna Łyko	Member of the Supervisory Board	0
Marek Jakubowski	Member of the Supervisory Board	0
Karol Orzechowski	Member of the Supervisory Board	0
Piotr Kosmala	Member of the Supervisory Board	0
Bożena Stefańska	Proxy	8 000
Andrzej Biały	Proxy	3 006

According to the information available to the Company, the above data did not change as at the date of submitting these Statements for Q1 2014, i.e. 15 May 2014, and it is follows:

First and last name	Position in the management of ACTION S.A.	Number of shares of ACTION S.A. held
Piotr Bieliński	President of the Managing Board	3 614 749
Edward Wojtysiak	Vice-President of the Management Board	0
Sławomir Harazin	Vice-President of the Management Board	15 017
Iwona Bocianowska	Chairman of the Supervisory Board	0
Grażyna Łyko	Member of the Supervisory Board	0
Marek Jakubowski	Member of the Supervisory Board	0
Karol Orzechowski	Member of the Supervisory Board	0
Piotr Kosmala	Member of the Supervisory Board	0
Bożena Stefańska	Proxy	8 000
Andrzej Biały	Proxy	3 006

9. Identification of material proceedings pending before a court, competent arbitration authority or public administration authority

As of the day of submitting these Statements, no proceedings were ongoing at any courts, competent arbitration body or public administration authorities in relation to liabilities or receivables of the Company or its subsidiaries, whose value, determined separately for individual proceedings and in total for all the proceedings, would represent at least 10% of the Company's equity.

10. Information concerning a single or multiple transactions concluded with related entities by the Company or its subsidiary, if the value of such transactions (total value of all transactions concluded since the beginning of the financial year) exceeds the Polish zloty equivalent of EUR 500 000 – unless such transactions are typical and routine transactions concluded under market conditions between the related entities and their nature and conditions result from the current operating activities of the Company or its subsidiary.

Except the transactions described in point 3. *Other quarterly financial information*, in the reporting period there were no non-typical transactions with associates.

11. Information on granting by the Company or its subsidiary of sureties for loans or borrowings or guarantees – jointly to a single entity or its subsidiary, if the total amount of the existing sureties or guarantees is an equivalent of at least 10% of the Company's equity:

The value of security liabilities resulting from agreements signed as at 31 March 2014 amounted to PLN 45,517 thousand. The share of guarantees and sureties exceeded 10% of the Company's equity. A detailed description of the guarantees and sureties granted is given in note 6 hereto.

12. Other information important for assessment of the HR, economic, property and financial situation, financial result of the Group and for the assessment of the ability to fulfil liabilities by the Group

In Q1 2014, there were no material changes with significant impact on the HR, economic, property and financial situation, financial result of the Group and for the assessment of the ability to fulfil liabilities by the Group.

13. Factors having an impact on the Group's results in the remainder of 2014

In the Management Board opinion, the most important factors affecting the Group's results for 2014 will be the size and structure of demand for products offered by the group in Poland and abroad. The policy of the credit insurers, especially their attitude to risk and the impact of these factors on granting credit limits will be an important factor.

14. Transactions with related entities

All transactions with subsidiaries were eliminated in the consolidation process.

ACTION S.A. holds non-controlling shares and shares without significant influence in companies A.PL INTERNET S.A. and also has personal ties with entities: ACTION CT WANTUŁA Sp. j., ACTIVE TRAVEL Sp. z o. o. and ACTIVE SOLUTIONS Sp. o. o., that do not give control or significant influence to the company.

14.1. Transactions concluded between the Group's companies and related parties not subject to consolidation.

The tables below present amounts of mutual settlements and transactions concluded between the Group's companies and related parties not subject to consolidation.

Data as of 31 March 2014 and for the period 1.01.2014 - 31.03.2014

	Debtors	Liabilities	Sales revenue	Purchases and costs
ACTION CT WANTUŁA Sp. j. *)	132	0	0	0
ACTIVE TRAVEL Sp. z o. o. **)	376	0	4	196
ACTIVE SOLUTIONS Sp. o. o. ***)	55	198	72	524
Total	563	198	76	720

Data as of 31 March 2013 and for the period 1.01.2013 - 31.03.2013

	Debtors	Liabilities	Sales revenue	Purchases and costs
ACTION CT WANTUŁA Sp. j. *)	144	0	0	0
ACTIVE TRAVEL Sp. z o. o. **)	561	0	96	896
A.PL INTERNET S.A. ***)	816	1	0	0
ACTIVE SOLUTIONS Sp. o. o. ***)	117	0	294	455
Total	1 638	1	390	1 351

* ACTION CT WANTUŁA Sp. j. with its registered office in Poznań,

** ACTIVE TRAVEL Sp. z o.o. with its registered office in Michałów-Grabina.

*** A.PL INTERNET S.A. with its registered office in Warsaw, on 23 December 2013 the company sold all shares.

**** ACTIVE SOLUTIONS Sp. z o.o. with its registered office in Warsaw.

14.2. Transactions with associates subject to consolidation.

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

Data as of 31 March 2014 and for the period 1.01.2014 - 31.03.2014

	Debtors	Liabilities	Sales revenue	Purchases and costs
ACTION ENERGY Sp. z o .o.	49	6	91	199
ACTION CENTRUM EDUKACYJNE Sp. z o. o.	2	0	59	238
SYSTEMS Sp. z o. o.	0	0	0	0
Total	51	6	150	437

Data as of 31 March 2013 and for the period 1.01.2013 - 31.03.2013

	Debtors	Liabilities	Sales revenue	Purchases and costs
ACTION ENERGY Sp. z o .o.	17	22	1 370	97
ACTION CENTRUM EDUKACYJNE Sp. z o. o.	19	7	82	54
SYSTEMS Sp. z o. o.	0	0	0	0
Total	36	29	1 452	151

IV. Statement of the Management Board concerning the accuracy of the Interim Condensed Financial Statements

The Interim Condensed Financial Statements of ACTION S.A. for the quarter ending 31 March 2014 comprise: the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and selected notes.

Pursuant to the requirements of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions regarding information required by the law of a non-member state as equivalent as well as the Ordinance of the Minister of Finance of 3 April 2012 amending the Ordinance on current and periodic information published by issuers of securities and the conditions regarding information required by the law of a non-member state as equivalent (Dziennik Ustaw [Journal of Laws] of 13 April 2012), the Management Board of ACTION S.A. hereby represents that:

- to the best of their knowledge, the quarterly condensed financial statements and comparative data have been drawn up in compliance with the accounting principles in force and that they present a true, accurate and fair view of the Company's economic and financial position and its financial result.

During the period covered by these Financial Statements, the Company kept its books in accordance with the International Financial Reporting Standards ("IFRS") approved by the EU, issued and in force as of the balance-sheet date, and in matters not regulated by the IFRS - in compliance with the Polish Accounting Act of 29 September 1994.

Piotr Bieliński
President of the Management Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 15 May 2014

V. Interim Condensed Financial Statements of ACTION S.A. for the period from 1 January 2014 to 31 March 2014

Selected financial data of ACTION S.A.

SELECTED SEPARATE FINANCIAL DATA	in thousand PLN		in thousand EUR	
	Q1 cumulative period from 01.01.2014 to 31.03.2014	Q1 cumulative period from 01.01.2013 to 31.03.2013	Q1 cumulative period from 01.01.2014 to 31.03.2014	Q1 cumulative period from 01.01.2013 to 31.03.2013
I. Net sales of products, goods and materials	1 177 266	1 128 476	281 011	270 371
II. Gross profit/loss on sales	57 590	45 987	13 747	11 018
III. Profit/loss from operating activity	23 680	18 061	5 652	4 327
IV. Net profit/loss attributed to the Company's Shareholders	18 189	13 288	4 342	3 184
V. Net cash flows from operating activity	-89 797	33 984	-21 434	8 142
VI. Net cash flows from investment activities	-10 600	-1 089	-2 530	-261
VII. Net cash flows from financial activities	72 207	-3 440	17 236	-824
VIII. Net increases (decreases) in cash	-28 190	29 455	-6 729	7 057
IX. Profit per ordinary share* (in PLN/EUR)	1.10	.81	.26	.19
	As of 31.03.2014	As of 31.12.2013	As of 31.03.2014	As of 31.12.2013
X. Total assets	1 133 960	1 103 136	271 848	265 995
XI. Liabilities	810 131	796 773	194 215	192 123
XII. Long-term liabilities	5 038	6 666	1 208	1 607
XIII. Short-term liabilities	805 093	790 107	193 008	190 516
XIV. Equity attributed to the Company's Shareholders	323 829	306 363	77 633	73 872
XV. Share capital	1 661	1 661	398	401
XVI. Number of shares** (pcs)	16 610 000	16 610 000	16 610 000	16 610 000
XVII. Book value per share*** (in PLN/EUR)	19.50	18.44	4.73	4.45

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

**) The number of shares takes into account the change in the nominal value of series A shares from 1 PLN to 10 PLN at the same time dividing 1 share of 1 PLN into 10 shares of a nominal value of 0.10 PLN. The change was made on 11.04.2006 by virtue of a resolution of the Extraordinary General Meeting of Shareholders.

***) The book value per share was calculated as the quotient of share capital and the number of shares.

PLN/EUR exchange rates

Period	Average exchange rate in the period	Minimum exchange rate in the period	Maximum exchange rate in the period	Exchange rate as of the last day of the period
01.01.2014-31.03.2014	4.1894	4.1602	4.2368	4.1713
01.01.2013-31.12.2013	4.211	4.1429	4.3292	4.1472
01.01.2013-31.03.2013	4.1738	4.157	4.187	4.1774

The selected financial data presented in the Financial Statements was converted into EUR in the following manner:

- items concerning the statement of comprehensive income and the cash flow statement were converted at the exchange rate being the arithmetic mean of the average exchange rates published by the National Bank of Poland as of the last day of each month, for Q1 2014 this exchange rate stood at EUR 1 = PLN 4.1894, for Q1 2013 – EUR 1 = PLN 4.1738;

- items of the statement of financial position were converted at the average exchange rate published by the National Bank of Poland as of the balance-sheet date; as of 31 March 2014, this exchange rate stood at: EUR 1 = PLN 4.1713, as of 31 December 2013: EUR 1 = PLN 4.1472 and as of 31 March 2013: EUR 1 = PLN 4.1774.

Statement of comprehensive income

All revenues and costs relate to continuing activities.

	Q1 period from 01.01.2014 to 31.03.2014	Q1 period from 01.01.2013 to 31.03.2013
Sales revenue	1 177 266	1 128 476
Costs of products, goods and materials sold	-1 119 676	-1 082 489
Gross profit on sales	57 590	45 987
Sales and marketing costs	-28 837	-23 613
Administrative expenses	-5 702	-4 959
Other revenues and operating profits	1 222	1 051
Other costs and losses	-593	-405
Profit/loss from operating activity	23 680	18 061
Finance cost	-1 315	-1 601
Profit/loss before tax	22 365	16 460
Income tax	-4 176	-3 172
Net profit/loss for the financial period	18189	13288
Other components of comprehensive income		
Net change due to cash flow hedging	-892	-2 689
Income tax	169	511
Other components of net comprehensive income	-723	-2 178
Total income for the period	17 466	11 110
Profit attributed to the Company's Shareholders per ordinary share (expressed in PLN per share)		
Basic	1.10	.81
Diluted	1.06	.77
Number of shares	16 610 000	16 410 000
Diluted number of shares	17 230 500	17 230 500

Piotr Bieliński
President of the Management Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 15 May 2014

Statement of Financial Position

	31.03.2014	31.12.2013	31.03.2013
ASSETS			
Fixed assets			
Property, plant and equipment	138 157	120 912	108 201
Goodwill	0	0	0
Other intangible assets	4 256	4 429	4 451
Investment property	6 673	6 673	6 673
Financial assets	36 230	36 230	32 178
Deferred income tax assets	0	0	0
Trade and other receivables	0	0	0
	185 316	168 244	151 503
Current assets			
Inventory	408 795	324 038	322 592
Trade and other receivables	529 358	573 889	396 157
Current income tax receivables	0	0	0
Financial derivatives	113	0	0
Other financial assets	6 145	4 538	335
Cash and cash equivalents	4 233	32 427	30 463
Total assets	948 644	934 892	749 547
	1 133 960	1 103 136	901 050
EQUITY			
Share capital	1 661	1 661	1 641
Share premium	58 112	58 112	55 744
Other reserve capitals	30 000	30 000	30 000
Retained earnings	233 549	215 360	190 495
Other components of equity	507	1 230	-1 251
Total equity	323 829	306 363	276 629
LIABILITIES			
Long-term liabilities			
Loans, borrowings and other financial liabilities	3 146	3 601	0
Deferred income tax provisions	1 892	3 065	2 487
	5 038	6 666	2 487
Short-term liabilities			
Trade and other liabilities	660 272	716 862	510 664
Loans, borrowings and other financial liabilities	140 492	66 021	107 788
Current income tax liabilities	3 685	6 539	3 081
Employee benefit liabilities	644	644	401
Financial derivatives	0	41	0
Provisions for other liabilities and other encumbrances	0	0	0
	805 093	790 107	621 934
Total liabilities	810 131	796 773	624 421
Total liabilities	1 133 960	1 103 136	901 050

Piotr Bieliński
 President of the Management Board

Sławomir Harazin
 Vice-President of the Management
 Board

Edward Wojtysiak
 Vice-President of the Management
 Board

Warsaw, 15 May 2014

Statement of changes in equity

	Equity attributed to the Company's Shareholders					Total equity
	Share capital	Share premium	Retained earnings	Other reserve capitals	Capital from cash flow hedge valuation	
As at 1 January 2014	1 661	58 112	215 360	30 000	1 230	306 363
Total comprehensive income			18 189		-723	17 466
Dividends paid						0
Others						0
As at 31 March 2014	1 661	58 112	233 549	30 000	507	323 829
As at 1 January 2013	1 641	55 744	177 207	30 000	927	265 519
Total comprehensive income			62 768		303	63 071
Dividends paid			-24 615			-24 615
Others	20	2 368				2 388
As at 31 December 2013	1 661	58 112	215 360	30 000	1 230	306 363
As at 1 January 2013	1 641	55 744	177 207	30 000	927	265 519
Total comprehensive income			13 288		-2 178	11 110
Dividends paid						0
Others						0
As at 31 March 2013	1 641	55 744	190 454	30 000	-1 251	276 629

Piotr Bieliński
 President of the Management Board

Sławomir Harazin
 Vice-President of the Management Board

Edward Wojtysiak
 Vice-President of the Management Board

Warsaw, 15 May 2014

Cash Flow Statement

	Q1 period from 01.01.2014 to 31.03.2014	Q1 period from 01.01.2013 to 31.03.2013
Cash flows from operating activity		
Net profit/loss for the financial period	18 189	13 288
Adjustments:	-107 986	20 696
Income tax	4 176	3 172
Income tax paid	-8 035	-8 327
Depreciation and amortisation of fixed and intangible assets	2 041	2 098
Investment profit (loss)	-154	698
Interest income	0	0
Interest expenses	1 315	1 601
Other	-723	-2 207
<i>Changes in working capital:</i>		
Inventory	-84 757	-22 757
Trade and other receivables	44 531	58 919
Trade and other liabilities	-66 380	-12 501
Net cash flows from operating activity	-89 797	33 984
Cash flows from investment activities		
Acquisition of property, plant and equipment and intangible assets	-9 100	-877
Acquisition of investment property	0	0
Acquisition of property, plant and equipment and intangible assets	0	14
Other investment inflows/outflows	-1 500	-226
Net cash flows from investment activities	-10 600	-1 089
Cash flows from financial activities		
Redemption of debt securities	-1 020	0
Issue of debt securities	0	0
Loans and borrowings received	75 034	0
Repayment of loans and borrowings	0	-533
Dividends paid	0	0
Interest paid	-1 315	-1 572
Payment of financial lease liabilities	-492	-1 335
Other financial inflows/outflows	0	0
Net cash flows from financial activities	72 207	-3 440
Net increase/decrease of cash	-28 190	29 455
Opening balance of cash	32 427	1 010
FX gains (losses) on valuation of cash	-4	-2
Closing balance of cash	4 233	30 463

Piotr Bieliński
President of the Management Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 15 May 2014

Additional Information

1. Material estimates

Deferred income tax assets and provisions recognised in the Statement of Financial Position were disclosed following set-off. Set-off was performed due to the homogeneity of these components and the method of their settlement.

Values of the deferred income tax subject to off-setting: Values of the deferred income tax subject to off-setting:

	31.03.2014	31.12.2013
Deferred income tax assets		
– deferred income tax assets falling due within 12 months	8 594	4 988
	8 594	4 988
Deferred income tax provisions		
– deferred income tax provisions falling due within 12 months	10 486	8 053
	10 486	8 053
Deferred income tax assets	0	0
Deferred income tax provisions	-1 892	-3 065
Deferred income tax assets/provisions (on the whole)	-1 892	-3 065

Changes in the deferred income tax (with the set-off of assets and provisions taken into account):

	31.03.2014	31.12.2013
At the beginning of the period	-3 065	-4 882
Credit to / charge on the financial result	1 004	1 887
Increase/decrease in equity	169	-70
Closing balance	-1 892	-3 065

2. Write-downs on components of assets

2.1 Write-downs on long-term financial assets

	31.03.2014	31.12.2013	31.03.2013
Opening write-down on long-term financial assets	-2 392	-2 692	-2 692
Created	0	0	-200
Used	0	0	0
Released	0	300	0
Closing write-down on long-term financial assets	-2 392	-2 392	-2 892

2.2 Write-downs on short-term financial assets

	31.03.2014	31.12.2013	31.03.2013
Opening write-down on short-term financial assets	-104	0	0
Created	0	-104	0
Used	0	0	0
Released	0	0	0
Closing write-down on short-term financial assets	-104	-104	0

2.3 Write-downs on inventory

	31.03.2014	31.12.2013	31.03.2013
Opening write-down on inventory	-1 837	-1 837	-1 837
Created (Costs of products, goods and materials sold)	0	0	0
Used	0	0	0
Released (Costs of products, goods and materials sold)	814	0	0
Closing write-down on inventory	-1 023	-1 837	-1 837

The write-down was released as a result of revaluation of merchandise based on inventory ageing. Both as of 31 March 2014 and as of 31 December 2013 the Company did not have stock valued at the net selling price.

2.4 Write-downs on trade and other receivables

	31.03.2014	31.12.2013	31.03.2013
Opening write-down on receivables	-11207	-11386	-11386
Created	-4	-1 984	-286
Used	13	1 615	357
Released	3	548	58
Closing write-down on receivables	-11 195	-11 207	-11 257

3. Contingent assets and liabilities

Consolidated Quarterly Statements of the ACTION S.A. CAPITAL GROUP for Quarter 1 2014
(all amounts given in thousand zloty (PLN '000) unless indicated otherwise)

As at 31 March 2014, the Company had contingent receivables relative to the repayment of liabilities of PLN 11,608 thousand. Security liabilities resulting from agreements signed as at the reporting date and not reflected in the Interim Consolidated Financial Statements of the Company amounted to PLN 66,582 thousand as at 31 March 2014 and to PLN 43,171 thousand as at 31 December 2013.

	31.03.2014	31.12.2013	31.03.2013
1. Contingent receivables	11 608	11 074	8 850
1.1. - from related entities (due to)	0	0	0
- guarantees and sureties received	0	0	0
1.2. From other entities (due to)	11 608	11 074	8 850
- guarantees and sureties received	11 608	11 074	8 850
2. Contingent liabilities	66 582	43 171	26 410
1.1. - for related entities (due to)	21 065	12 442	0
- guarantees and sureties granted	21 065	12 442	0
1.2. For other entities (due to)	45 517	30 729	26 410
- guarantees and sureties granted	13 729	8 902	9 154
- letters of credit	31 788	21 827	17 256
3. Other (due to)	0	0	0
Total off-balance sheet items	78190	54245	35 260

Guarantees and sureties granted

As at 31 March 2014, the value of guarantees and sureties granted amounted to PLN 66,582 thousand, of which:

Bank guarantees for the total amount of (USD 2,828 thousand) PLN 8,581 thousand,
 Bank guarantees for the total amount of (EUR 5,080 thousand) PLN 21,190 thousand,
 Bank guarantee under a lease agreement of (EUR 196 thousand) PLN 816 thousand,
 Performance bonds for the total amount of PLN 1,207 thousand,
 Guarantee of payment of customs duties and taxes for the total amount of PLN 3,000 thousand,
 Letters of credit relative to the supplies of goods totaling PLN 31,788 thousand.

These Interim Condensed Consolidated Financial Statements were approved by the Management Board of ACTION S.A. on 15 May 2014.

Piotr Bieliński
 President of the Management Board

Sławomir Harazin
 Vice-President of the Management Board

Edward Wojtysiak
 Vice-President of the Management Board

Warsaw, 15 May 2014