



PRESENTATION OF FINANCIAL RESULTS

January 2011 – March 2011

Q1, 2011 IN THE GROUP – INTRODUCTION

Period between 1 January 2011 and 31 March 2011

- ⊙ This presentation concerns Q1, 2011 and ensures the data comparability due to correspondence of balance sheet periods to calendar periods

- ⊙ In Q1, 2011 ACTION Capital Group posted in comparison to Q1 the preceding year:
 - an increase in turnover by 11.8% to PLN 540,095 thousand
 - a reduction of operating expenses by 3.5% to PLN 29,422 thousand
 - an increase of the net profit attributable to the Company's Shareholders by 6.0% to **PLN 8,505** thousand as compared to **PLN 8,020** thousand in Q1, 2010.

- ⊙ Further increase of the profitability of the Group's subsidiaries

Q1, 2011 IN THE GROUP

FINANCIAL HIGHLIGHTS

[in thousand zloty]	Q1, 2011	Q1, 2010	Change	Change
Sales revenues	540,095	483,246	56,849	11.8%
Gross profit on sales	37,430	37,426	4	0.0%
<i>Gross margin on sales</i>	6.9%	7.7%	-0.8%p.p.	
Selling and marketing costs	- 24,322	- 25,082	760	-3.0%
<i>In relation to revenues</i>	-4.5%	-5.2%	0.7%p.p.	
General administrative expenses	- 5,100	- 5,421	321	-5.9%
<i>In relation to revenues</i>	-0.9%	-1.1%	-0.2%p.p.	
Other revenues and profits	3,858	4,158	-300	-7.2%
Other costs and losses	- 606	- 309	-297	96.1%
Operating profit/loss	11,260	10,772	488	4.5%
Net financial expenses	- 1,046	- 897	-149	16.6%
Net profit	8,505	8,020	485	6.0%
<i>Profit margin</i>	1.6%	1.7%	-0.1%p.p.	

HEDGE POLICY

Q1

- Final stage of preparations for implementing a new foreign exchange risk management policy:
 - constraining the impact of foreign exchange fluctuations on the margin to the highest extent possible
 - dividing decision-making competitions
 - checking implementation of adopted assumptions on a regular basis
 - Planned implementation of hedge accounting in 2011
- Renewing the receivables insurance agreement:
 - better terms and conditions of insurance cover with the premium rate reduced by **40%**
 - reducing insurance expenses by ~ **26%**, i.e. **about PLN 500 thousand** by the end of the year

Q1, 2011 IN THE GROUP

WORKING CAPITAL

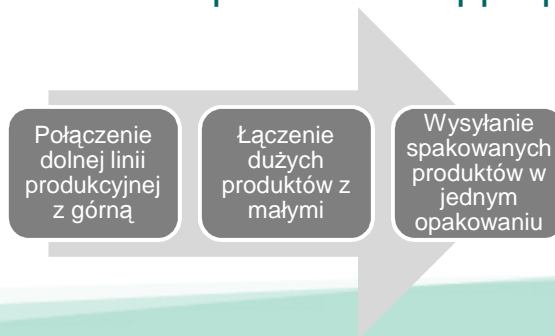
INCREASING THE VALUE OF CURRENT ASSETS AND SOURCES OF FINANCING

- Increase in the balance of inventories
 - Reviewing sales plans for subsequent periods
 - Restricted availability of goods due to the catastrophe in Japan
 - Increase in transit inventories, mainly for the requirements of TELCO
- Increase in the balance of receivables
 - Intensified cooperation with retail chains
 - Considerable increase in deliveries to TELCO entities
- Increase in the value of trade liabilities and non-current loans
 - Improved loan terms and conditions at suppliers
 - The necessity to finance increased values of current assets

COST OPTIMISATION

ACHIEVEMENTS IN Q1

- Increase of Company effectiveness and reduction of costs by implementing:
 - continuous stocktaking
 - BI in the area of sales
 - control of packages on the logistics line by controlling their weight
- Continued work on implementing e-invoices
- Establishing cooperation with a new shipping agent
- Implementing a project for optimising transport costs and consumption of materials for the packaging used in the logistics centre in Zamień:
 - shipping small-sized products in appropriately small packaging
 - and



KEY EVENTS

Q1, 2011

- Signing agreements with the following telecommunications operators: **ERA, NETIA** and **TP S.A.**
- Commencement of deliveries related to contracts awarded to TELCO operators
- Advanced talks concerning contracts with **Polkomtel** and **Orange**
- **Further development of the radio and television/household appliance department**, signing new distribution agreements and broadening the offer of household appliances
- Dynamic growth of the VAD Department (Value Added Distribution) providing products for internal requirements as well as promotion and further distribution to leading companies of the Polish economy (**Coca-Cola, Unilever, BGŻ, BOŚ, ING, Kolporter, Pepsico, PLL Lot, Skanska, Totalizator Sportowy, Grupa PKP, Wincor Nixdorf**)

OWN BRANDS

ActiveJet®

ACTIS®



KEY EVENTS

Expanding the brand into the market of retail chains in **IT**, **FOOD** and **DIY** segments:

- **REAL** – broadening cooperation in the scope of delivering ActiveJet products to the whole chain (from 30 to 60 stores) in Poland
- **ELEA/SIMPLY** (Auchan group) – establishing cooperation in the scope of distribution of lighting equipment
- **Brico Depot** (Castorama group) – in the scope of the LED ActiveJet offer, successive broadening of the range of goods
- **Praktiker** – in the scope of the LED ActiveJet offer, plans to broaden the range of goods

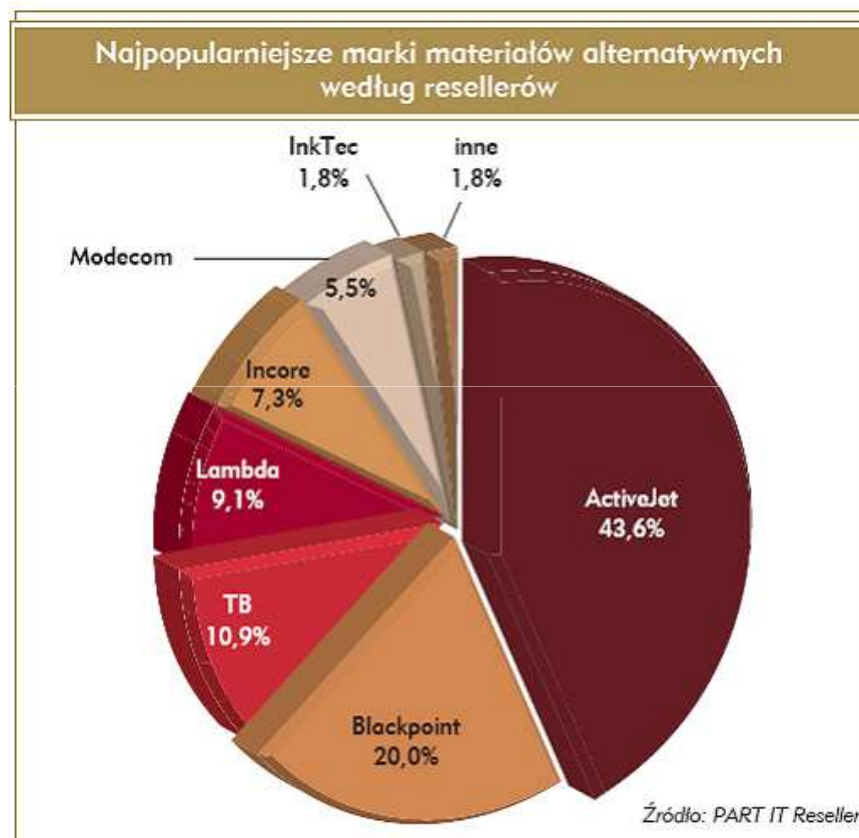


- Launching a new consumables brand **ACTIS** on the market dedicated to:
 - tenders
 - clients seeking a cheaper OEM brand
 - for larger export partners as a cheaper alternative to secure against falling prices
- Expansion onto new markets, acquiring new clients not related to ACTIVEJET

ACTIS[®]



- Market research by **IT Reseller**, ActiveJet is once again the most preferred brand among clients
- Receiving the **Polish Quality 2011** award for production quality in line with the Polish Standard (PN)



SUBSIDIARIES IN Q1





Grupa Kapitałowa Action S.A.



KEY EVENTS

- At the end of Q1, 2011 there were a total of 131 retail points of sale, comprising:
 - **38** partner outlets
 - **33** own outlets
 - **60** sales stands
- New stores within franchising schemes (Żyrardów, Mińsk Mazowiecki, Rabka Zdrój, Błędów, Myszków).
- The e-store Sferis.pl won the competition „**Safe e-store**” organised under the auspices of Vice Prime Minister Waldemar Pawlak. 1,400 entities were entered for the competition.
- Establishing cooperation with **światobrazu.pl**, one of the biggest photography websites. Sferis provides e-commerce solutions and handles the e-commerce part of the website (sales, logistics, maintenance, hotline).



Grupa Kapitałowa Action S.A.



KEY EVENTS

- March proved a record-breaking month in the history of the **gram.pl** store in terms of sales – it was better than November and December 2010
- Sales skyrocketed thanks to **140** personal collection points of Sferis and other partners throughout Poland – **40%** of products picked up at personal collection points
- Record-high proceeds from online advertising posted in Q1, 2011
- Purchasing the domain tablet.pl and developing this opinion website devoted to tablets and smart-phones



Q1, 2011 IN THE GROUP

OBJECTIVES FOR THE NEAREST QUARTERS

- Constant optimisation and control of costs while improving turnover
- Increase in turnover
- Market consolidation and acquisitions



THANK YOU FOR YOUR ATTENTION



Contact for media and capital market representatives:

Anna Bielińska – Head of Corporate Communication
0-22 332 16 96, e-mail: anna.bielinska@action.pl

Dominika Lenkowska –Martis CONSULTING Agency
0-22 244 57 09, e-mail: dominika.lenkowska@mc.com.pl