Warsaw, 17 May 2016

Q1 2016

RESULTS PRESENTATION

ACTION®

THE WORLD IT MARKET

Market environment – the world

- **Declining trends in almost all product groups** – according to Conext for Q1 2016 in Europe (15 groups, corresponding to 90% of business, recorded a sales decline)

- **Decreasing number of global manufacturers**: consolidation or withdrawal from markets

- **Sales decrease recorded by the largest world giants** regarding:
  - production – Apple
  - distribution – Ingram Micro

- **Cutting jobs by the top world players** (Q1 2016 – Intel; previous quarters, e.g..: Lenovo, HTC, Microsoft, Toshiba)

- **No innovative products**

BBC NEWS — Business

Apple revenue falls for first time since 2003

27 April 2016 | Business

CNN Money — International

Connect

Intel to cut 12,000 jobs globally

by Hope King @lisahopeking

April 19, 2016, 7:02 PM ET

Intel, the world's largest chipmaker, says it will restructure itself to focus on "high-growth areas," including the IoT business.

Tech giant Intel will cut up to 12,000 people from its staff globally, or about 11% of its workforce, the company announced Tuesday.

FINANCIAL RESULTS

Selected financial data - GK ACTION

	Q1 2015	Q1 2016	Change %
Sales revenues	**1,402,711**	**1,089,529**	**-22.3%**
Gross sales margin	70,441	67,346	-4.4%
Gross margin profitability	5.02%	6.18%	1.2p.p
Sales and marketing expenses	-46,379	-55,419	19.5%
In relation to revenues	-3.31%	-5.09%	-1.8p.p
General and administrative expenses	-8,858	-8,372	-5.5%
In relation to revenues	-0.63%	-0.77%	-0.1p.p
Other revenues and expenses	1,097	-1,316	-220.0%
Results on operating activities	16,301	2,239	-86.3%
Net financial expenses	-1,668	-2,211	32.6%
Net profit allocated to Company's shareholders	**11,917**	**382**	**-96.8%**
Net results profitability	0.85%	0.04%	-0.8p.p

Cash flows

	Q1 2015	Q1 2016
Net cash flows from operating activities	41,703	-8,579
Net cash flows from investment activities	-4,019	-1,800
Net cash flows from financial activities	-83,296	38,400

Cash conversion cycle

	31.03.2015	31.03.2016
Inventory turnover	31	51
Inflow of receivables	32	37
Payment of liabilities	42	56
Cash conversion	21	32

OUR RESPONSE TO GLOBAL CHANGES

What we focus on

ACTION®

- Optimisation of expenses

- Focus on margin and profitable product groups

- Minimising unprofitable suppliers

- Minimising unprofitable product lines

- Consolidation of companies within the group

Development-oriented products

NEW BUSINESS AREAS : MEDICINE AND FOOD

ACTIONMED

Active&Food

- In January 2016 ActionMed received the **Gold Partner** status from Samsung, and found itself in the group of **top 10 distributors of the brand worldwide**

- First implementation of X-Ray ⟹ **value > PLN 2 million**

- Closing the **Carefusion/ROWA** agreements (automated medicine storage and release systems), as well as **Orpheus** (video recording of surgery)

- Initiating sales of medical ultrasound devices for veterinary clinics

MAIN DISTRIBUTION CONTRACTS

Action at SIAL Trade Fairs in Shanghai

ACTION®

Active&Food

SIAL INSPIRE FOOD BUSINESS
05TH-07TH MAY 2016
SNIEC – SHANGHAI

SIAL is the largest food exhibition in Asia:

- Almost **3 000 exhibitors** from 67 countries
- **50,000 visitors**
- Over **126,000 m2 of exhibition area**
- **4 sectors**: food, meat, diary products and wine
- **3 days** of exhibitions, debates, and tastings

Action – official opening of the distributor stall

- **1000 people** visiting the Action stall every day
- **100 arranged** partners from China
- **150 new partners** from China
- Action as the representative of **40 food producers** from Poland
- **300 food products** offered through Action for the fairs

Minister of Agriculture, Krzysztof Jurgiel and the Polish Ambassador in China, Mirosław Gajewski, cutting the ribbon at the Action stall

Photos – Agricultural Market Agency

THANK YOU

Your solid partner: