MANAGEMENT REPORT OF ACTION S.A. (the Company)
ON THE OPERATIONS IN THE YEAR 2011

1. Basic figures and development prospects for the next business year

In the business year 2011 the Company ACTION S.A. reported sales revenues of PLN 2,758,421 thousand, an operating profit of PLN 48,077 thousand and the net profit of PLN 34,398 thousand. When comparing the current results with those realised by the Company in the previous year, the substantial increases in each of the above mentioned items is significant. Compared to the previous year, revenues from sales increased by nearly 34%, operating profit by 46% and net profit by as much as 48%.

In 2011, the Company saw a significant increase in sales and in net return. In line with previous announcements and a consistent policy in this respect, the Management Board continuously aimed at creating a more efficient and effective operating model for ACTION S.A. as well as for the whole Group. In effect, there was a significant increase in revenues and profits despite the consequences of the financial crisis still affecting the Company's operations as well as the effect of all related turbulences in business and financial markets throughout Europe.
When analysing achievements realised in the previous year, the Management Board has observed real opportunities of continuing the growing sales trend in the forthcoming year and, consequently, the Company achieving high sales dynamics, preserving at the same time return ratios at similar level.

In the Management Board's opinion, the main reasons confirming the aforesaid statements are:

1) Regarding internal factors:
   a) extension of the sales offer owing to entering into new distribution agreements with, among others, Hewlett-Packard and Lenovo;
   b) maintaining a wide base of recipients representing all sales channels;
   c) entering into new sales agreements, including in particular agreements with the largest players in the telecommunications industry and Media Saturn Holding Polska;
   d) further increase in export and inter-community supplies;
   e) maintaining high warehouse efficiency;
   f) maintaining strict current monitoring of costs in the Company and in the Group;
   g) current monitoring and active working capital management;
   h) further results optimisation in the ACTION Capital Group entities through improved use of their potential and competences;

2) Regarding external factors:
   a) economic situation in Poland and world-wide, and their influence on the behaviour of the financial institutions;
   b) utilisation of EU funds by Polish companies, both public and private entities;
   c) budget situation in Poland, especially activities aimed at reducing the public finance deficit;
   d) macroeconomic and political situation in the world, particularly in the context of current political and economic crises;
   e) expected growth in the demand for television sets, tablets and smartphones owing to forthcoming sporting events.

2. Material risk factors related to the Company's activities

2.1. Risk factors related to the Company's operation

2.1.1. Stock maintenance risk

The Company's core business consists in selling technologically advanced products which are naturally exposed to the risk of becoming outdated causing a decrease of individual values. By launching new models, producers reduce the prices of products already available on the market. Due to the price protection clauses in agreements with suppliers and the standing market practice in this scope, the Company receives compensation for losses related to the decrease of stock value from all the key suppliers. Regardless of benefits obtained from price protection mechanisms, the Company strives to ensure high rotation of the stocks maintained.

2.1.2. Risk of losing receivables

Trade receivables are the most significant item in terms of value in the Company's assets. As any entity involved in trading, the Company is exposed to the risk of losing some of its receivables. This risk increases as the economic slowdown advances on the domestic and global markets. Having regard to potential loss of receivables, the Company takes out insurance against this risk with leading insuring companies.

2.2. Risk factors related to the environment in which the Company operates

2.2.1. Risk related to the macroeconomic situation of Poland

The macroeconomic ratios of the Polish economy and its growth rate have a material impact on the value and trends observed on the IT equipment distribution market. Dealers' willingness to buy new IT equipment and consequently the value of purchases carried out by the Company's customers is to a large extent related to the GDP growth, the level of investments and the way in which retail customers perceive the market situation. Nonetheless, the current and projected rate of economic growth may negatively affect the demand for the IT equipment offered by the Company.

2.2.2. Foreign exchange risk

The Company is exposed to the risk of changes in foreign currency exchange rates. ACTION S.A. obtains over 90% of its sales revenues in Polish zloty while about 50% of goods are imported. Over a half of payments made for imported goods is made in US dollars while the remaining are settled in Euro. In the long run this risk is constrained by the prospects of joining the Eurozone. However, at present the repercussions of the financial crisis are still being observed, leading to increasing fluctuations of the exchange rate of PLN to EUR and USD. The Company strives to minimise the risk related to its business activities; for instance, in 2011 it has adopted the Foreign Exchange Risk Management Policy. The principles of f/x risk management set forth in the policy indicated optimum hedging levels with relation to existing currency items and the related monitoring and controlling system based on three units. Furthermore, in accordance with the adopted accounting principles, the Company has undertaken to maintain hedges at a level close to 100% of the open foreign exchange position.

2.2.3. Legal environment risk

Changing legal provisions or various interpretations thereof pose a threat to the operations of ACTION S.A. Certain amendments to the provisions of the law may have a negative impact on the Company's operations. Such amendments may affect the legal environment of the Company's operations to a considerable degree. Coming into force of a new regulation of material importance for trading may involve interpretation ambiguities, inconsistent decisions of the courts or unfavourable interpretations adopted by public administration authorities, etc.

2.2.4. Tax policy risk

The Polish tax system is characterised with frequent changes in the tax regulations. Many of them are not defined clearly enough and there exist few unequivocal interpretations Interpretations of tax provisions are subject to frequent change and unfortunately tax-related decisions made by both fiscal authorities and courts are inconsistent. As a result of divergent interpretations of tax regulations, a Polish company incurs greater risk than a company operating under more stable tax systems. In such circumstances the Company's operation and its tax recognition in income statements and tax returns may be deemed at variance with tax regulations by the fiscal authorities. However, it is expected that two-instance proceedings at administrative courts and the acquis communautaire will have a considerable impact on the uniformity of court decisions on tax-related matters and as a result on uniform application of the tax law, also by the fiscal authorities. One of the elements of the risk related to legal regulations concerns the limitation period established for tax liabilities, which involves the possibility to verify whether the tax liabilities for the relevant period were calculated in a correct manner. Income statements specifying the amount of the tax liability and the amount of payments made may be verified by way of control by the fiscal authorities in the course of five years from the end of the year during which the tax payment date passed. In the event the fiscal authorities interpret the tax regulations on the basis of which the tax liability is calculated differently than that of the Company, it may have a material negative impact on the Company's operations, its financial standing and consequently on its results and growth prospects.

(all the figures are provided in thousand zloty unless specified otherwise)

3. Corporate governance principles

ACTION S.A. is subject to the corporate governance principles “Code of Best Practice for WSE Listed Companies” adopted by Resolution No. 12/1170/2007 of the Warsaw Stock Exchange of 4th April 2007, the text hereof is included in the annex to the above mentioned resolution. Corporate governance principles are available at the WSE website (www.corp-gov.gpw.pl) and the Company’s website(www.action.pl). Application of the principles under discussion is voluntary.
A statement concerning the application of corporate governance principles by ACTION S.A. in 2011, constituting an appendix to this Report, shall be published as a separate component of the Annual Report.

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

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

5. Information on the basic commodity lines offered by the Company and their share in the total sales

The basic scope of the Company's activity is the distribution of computer hardware and software. The Company's sales volume reflects the market situation and customers' needs. Based on long-standing market experience, the Company flexibly reacts to any changes that occur in the demand structure in order to meet the constantly increasing requirements of its customers. The sales structure is presented in the table below.

No.	Name of Group	Sales value in 2011	%	Sales value in 2010	%
1	Ready solutions	1,268,471	45.99%	905,639	43.96%
2	Consumer electronic goods	511,716	18.55%	290,861	14.12%
3	Components	509,576	18.47%	434,033	21.07%
4	Peripherals	181,785	6.59%	179,198	8.70%
5	Consumables and office supplies	148,263	5.37%	106,604	5.17%
6	Software	83,946	3.04%	96,393	4.68%
7	Other	54,664	1.99%	47,589	2.30%
	Total revenues from the sales of products, goods and materials	**2,758,421**	**100.00%**	**2,060,317**	**100.00%**

6. Information on the markets

The Group’s basic market is the domestic distribution market of computer hardware and software. In 2011 it generated 76.74% of net sales of goods and materials. The sales structure by territory in 2011:

Net revenues from the sales of goods and materials (by territory) in thousand zloty	Change	2011	2010
a) domestic sales – sales of goods	16.52%	2,065,965	1,773,125
- including: to related parties	102.50%	114,224	56,407
b) export – sales of goods	156.86%	106,568	41,488
- including: to related parties		0	0
b) re-export – sales of goods		0	0
- including: to related parties		0	0
d) EU supplies	162.21%	519,707	198,199
- including: to related parties		0	0
Total net revenues from the sales of goods and materials	**33.76%**	**2,692,240**	**2,012,812**
- including: to related parties	102.50%	114,224	56,407

Both the structure of the Company's recipients and suppliers show a large dispersion. Due to the specificity of activities, the Company's main suppliers are global manufacturers of IT, photo equipment and home appliances. The largest and the only client whose share in the total revenues from sales reached nearly 10% is Samsung Electronics Polska Sp. z o.o. There are no formal links between the Company and Samsung Electronics Polska Sp. z o.o other than those following from concluded trade agreements.

7. Information on concluded agreements that are significant for the Company's operation

Within the basic scope of its activity, the Company is in stable trade relations (agreements for sale and purchase of goods) with numerous recipients and suppliers of goods. In the vast majority of cases the Company does not conclude separate agreements but makes trade transactions based on separate (individual) orders confirmed with VAT invoices.

Within the period covered by the Report the following significant agreements were concluded:

1) Annex 14 of 28th February 2011 to overdraft agreement No. 2005/1006392654 concluded with Bank Pekao S.A. on 14th June 2005. On the basis of the above annex, the amount of the multi-currency revolving overdraft facility advanced was increased from the amount of PLN 65,000 thousand or the equivalent sum in USD or EUR to an amount not exceeding PLN 80,000 thousand or the equivalent in USD or EUR. The term of the overdraft facility expired on 30th April 2011.
2) Annex 15 of 28th April 2011 to overdraft agreement No. 2005/1006392654 concluded with Bank Pekao S.A. on 14th June 2005. On the basis of the above annex, the amount of the multi-currency revolving overdraft facility advanced to the Issuer constitutes an amount not exceeding PLN 80,000 thousand or the equivalent in USD or EUR. The term of the overdraft facility runs until 30th April 2012, which is the final date for the repayment of the overdraft by the Issuer. Furthermore, annex 15 also includes a provision allowing for increasing the amount of the multi-currency revolving overdraft facility advanced to the Issuer up to PLN 100,000 or the equivalent in USD or EUR.
3) Annex 6 of 27th May 2011 to the Agreement on Overdraft, Guaranties and Letters of Credit No. 51/2009 concluded with HSBC Bank Polska on 29th May 2009. Pursuant to the above indicated annex the value of the total overdraft limit granted to the Issuer, allowing them to perform operations charged on the account without coverage in funds maintained on the account, was increased form PLN 30,000 thousand to PLN 40,000 thousand. The limit includes the following sub-limits: overdraft facility of PLN 30,000 thousand (formerly PLN 20,000 thousand), letter of credit of PLN 10,000 thousand and bank guarantees of PLN 5,000 thousand and USD 500 thousand. Pursuant to the annex referred to above, the term of the overdraft facility was prolonged to 25th May 2012, for letter of credit from 27th January 2012 to 25th January 2013 and for bank guarantees from 28th May 2012 to 25th May 2015.
4) Agreement with Hewlett-Packard Europe BV based in Geneva, Switzerland. Pursuant to this agreement, ACTION S.A. has become an authorised distributor of Hewlett Packard in the European Union and Switzerland. The subject matter of the agreement is the sale of computers, monitors, servers, mobile terminals and accessories manufactured under the Hewlett Packard brand.

8. Information on equity relationship and specification of the major equity investments

The Company ACTION S.A. forms the ACTION Capital Group in which it is the Controlling Entity. The Capital Group's scope of activities covers wholesale of computer and IT components, parts and devices. The Capital Group conducts its operations within the whole territory of Poland, and ACTION S.A. is the main supplier of goods, also for the Group's companies.

In the period covered by the Report the following entities were members of the Group:

controlling entity:

ACTION S.A. based in Warsaw

subsidiaries:
SFK Sp. z o.o. based in Cracow – subsidiary (100 %).
ACTINA Sp. z o.o. based in Warsaw – subsidiary (100 %).
A.PL Sp. z o.o. based in Warsaw – subsidiary (100 %) [1)]
SFERIS Sp. z o.o. based in Warsaw – indirect subsidiary (99.89%) [2)]
GRAM.PL Sp. z o.o. based in Warsaw – subsidiary (100 %) [3)]
ACTION ENERGY Sp. z o.o. based in Cracow – an associate (24 %) [4)]
Action IT Service GmbH based in Berlin – subsidiary (78%) [5)]
SELECTRO Sp. z o. o. based in Zamienie - indirect subsidiary (99.89%) [6)]
ACTION INVESTMENTS Sp. z o.o. based in Zamienie - subsidiary (100 %) [7)]

Changes in the composition of the Group during the period covered by the Report:
In 2011, consolidation covered two newly established companies: SELECTRO Sp. z o. o. based in Zamienie and ACTION INVESTMENTS Sp. z o.o. based in Zamienie.

During the comparative period the following entities were also consolidated:
PROLOGIC Sp. z o.o. w likwidacji (in liquidation) [6)] was consolidated until 5th November 2010.

Third party shares in subsidiaries:
SFERIS Sp. z o.o. - 0.11%, including: Piotr Bieliński 0.055 %, Anna Bielińska 0.055 %

[1)] A.PL Sp. z o.o. based in Warsaw was established on 12th October 2006. Following the merger registered on 27th May 2011 the company was struck off from the National Court Register. The merger did not have any effect on the Consolidated Financial Statements.
[2)] SFERIS Sp. z o.o. based in Warsaw was consolidated from 5th January 2007.
[3)] GRAM.PL Sp. z o.o. based in Warsaw was consolidated from 28th May 2009 and on 18th December 2009 the share was raised to 80%. On 24th May 2010 the share was raised to 100% by way of a share transfer agreement.
[4)] ACTION ENERGY Sp. z o.o. based in Cracow was established on 3rd September 2009,
[5)] ACTION IT Service GmbH was not consolidated due to ongoing bankruptcy proceedings which led to the company's liquidation in December 2011.
[6)] SELECTRO Sp. z o. o. based in Zamienie was established on 8th September 2011,
[7)] ACTION INVESTMENTS Sp. z o.o. based in Zamienie was established on 12h December 2011,

ACTINA Sp. z o.o. deals in wholesale of computer hardware. ACTION ENERGY Sp. z o.o. established in 2009 concentrates its activities on the renewable energy market, its aim is to create a technological sales centre addressed at installers of devices using renewable energy sources. The primary object of SFERIS Sp. z o.o. is retail of computer hardware. The activities of GRAM.PL Sp. z o.o. (computer games) include online retail sale. SFK Sp. z o.o. provides advertising services. The main scope of activities of SELECTRO Sp. z o.o. is the online sales of goods offered by the Group. ACTION INVESTMENTS Sp. z o.o. has begun its activities in the financial services sector.

9. Major transactions with related entities concluded on non-market conditions

During the period covered by the report the Company did not conclude any transactions with related entities on non-market conditions.

Transactions with related entities are described in Note 28 to the Financial Statements.

10. Information on credits contracted, loan agreements and guarantees and sureties granted for the Company

10.1 Credit agreement no. 2005/1006392654 concluded on 14th June 2005 with Bank Polska Kasa Opieki S.A. based in Warsaw (the Bank)

The Bank granted ACTION S.A. a revolving open overdraft facility of PLN 100,000 thousand for financing its current operations. The overdraft limit may be used up to a maximum amount of the equivalent of PLN 50,000 thousand in USD, EUR or PLN. The outstanding amount may be used in PLN exclusively. The credit repayment deadline is on 30th April 2012.

10.2 Investment credit agreement no. 2008/1018042923 concluded on 9th April 2008 with Bank Polska Kasa Opieki S.A. based in Warsaw (the Bank)

The Bank granted the Company a non-revolving investment credit amounting to PLN 12,000 thousand for financing an investment of updating and developing the Company's logistics capabilities in relation to the extension of the office and warehouse complex in Zamienie. The credit will be repaid in 45 instalments between 31st January 2010 and 30th September 2013.

10.3 Short-term credit agreement no. 2003/028 concluded on 6th November 2003 with Societe Generale S.A. (the Bank)

The Bank granted ACTION S.A. a short-term revolving overdraft facility amounting to PLN 15,000 thousand for financing its current operations. The deadline for credit repayment was agreed on 29th October 2012; however, if the Bank does not terminate the above-mentioned agreement a month before the repayment deadline, the repayment period is automatically prolonged for the next 12 months. The procedure of prolonging credit repayment has been in effect for five consecutive years since 29th October 2010.

10.4. Agreement no. 51/2009 on overdraft and letter of credit concluded on 29th May 2009 with HSBC Bank Polska S.A. (the Bank)

HSBC Bank Polska S.A. with its registered office in Warsaw granted ACTION S.A. an overdraft facility amounting to PLN 30,000 thousand for financing its current operations. The loan repayment term expires on 25th May 2012. Pursuant to the said agreement a letter of credit line was opened with the debt limit amounting to PLN 10,000 thousand. The letter of credit repayment term expires on 25th January 2013. Moreover, under this agreement the bank may issue guaranties up to PLN 8,500 thousand. The repayment term for guaranties expires on 25th May 2015.

11. Information on loans, guarantees and sureties granted

11.1. Loan agreements

ACTION S.A. did not grant any loans in 2011.

11.2 Guarantees and sureties granted

As at 31st December 2011, the value of guarantees and sureties granted was PLN 38,731 thousand, including:

To related entities:

Surety for trade credit for GRAM.PL Sp. z o.o. of the total amount of PLN 2,392 thousand,

To other entities:

(all the figures are provided in thousand zloty unless specified otherwise)

Intel Corp. UK Ltd (USD 1,000 thousand) PLN 3,417 thousand
Hewlett-Packard Europe BV (EUR 1,500 thousand) PLN 6,625 thousand
European Organization for Nuclear Research (USD 381 thousand) PLN 1,302 thousand
Bank guarantee under a lease agreement (EUR 124 thousand) PLN 548 thousand,
Performance bond totalling at PLN 203 thousand,
Guarantee of payment of customs duties and taxes for the total amount of PLN 220 thousand,
Letters of credit due to supplies of goods for the total amount of PLN 24,024 thousand.

12. Proceeds from issue of shares

In 2011 the Company did not gain any proceeds from issue of shares.

13. Information on acquisition of equity shares

In 2011 the Company did not purchase any equity shares.

14. Explanation of differences between forecasts and figures disclosed in the Annual Report

The Company does not prepare result forecasts on the entity level.

15. Evaluation of financial resources management

Liquidity ratios	**2011**	**2010**
Current ratio (current assets / current liabilities)	1.16	1.15
Quick ratio (liquid current assets / current liabilities)	0.61	0.66
Acid ratio (short-term investments / current liabilities)	0.01	0.01

The liquidity ratios presented by the Company are typical for the best distribution-profile companies of the trade sector. The parameters of liquidity ratios in 2011 remained at last year's level, which is considered optimal for the distribution-oriented Companies operating in the trade sector. A slight decrease in the quick ratio is a result of an increase in inventory due to the need to maintain a high dynamics of revenue growth.

Level and structure of working capital	**Increase**	**2011**	**2010**
1. Current assets	40.39%	606,874	432,291
2. Cash and securities	73.21%	5,631	3,251
3. Adjusted current assets (1-2)	40.14%	601,243	429,040
4. Current liabilities	39.19%	525,068	377,230
5. Short-term credits	23.67%	85,051	68,770
6. Adjusted current liabilities (4-5)	42.65%	440,017	308,460
7. Working capital (1-4)	48.57%	81,806	55,061
8. Demand for current assets (3-6)	33.71%	161,226	120,580
9. Net cash (7-8)	21.22%	-79,420	-65,519
10. Equity share in the financing current assets (7 : 1) in %	0.74%	13.48%	12.74%

The data presented above indicate that the quick increase in the value of current assets is financed mainly through non-interest bearing liabilities rather than by debt, at the same time, the rate of the increase in the value of current assets is significantly greater than the increase in the value of current assets. Consequently, both the increase of the value of bank loans as well as their percent share in the financing structure are very secure owing to the use of the Company's creditworthiness.

The continuing favourable financial standing is also confirmed by debt ratios with the following values:

Debt ratios	**2011**	**2010**

Total debt ratio	70.16%	66.27%
Equity to assets ratio	29.84%	33.73%

A slight increase in the debt ratio at the end of 2011 was caused by a very dynamic increase in sales which was observable throughout the year. The debt structure analysis based mainly on trade liabilities as well as a still high share of own funds in the financing of assets have allowed us to state that the Company's financial position is very good.

16. Evaluation of the possibility of executing intended investments

Considering the Company's high creditworthiness as well as growing return on its activities, the Management Board has very positively assessed the possibility of carrying out potential intended investments.

17. Evaluation of the factors and untypical events influencing the result of operations

Aside from the still high level of foreign exchange rates fluctuations, the effect on which is hedged by hedge accounting, the Company did not record any material factors of untypical nature during the period covered by this Report.

18. Description of the external and internal factors significant for the Company's growth

Factors significant for the Company's growth are described in Section 2 to this Report.

19. Changes to the basic principles of the Company management

In 2011, the Company has considerably changed its attitude to foreign exchange risk management. The Management Board introduced a new foreign exchange risk management policy setting forth, among others, the following principles:

1. Continuous monitoring of foreign exchange items and constant adaptation of hedge levels.
2. Split of controlling and supervising competences between three independent departments within the Company:

Furthermore, the Company has introduced hedge accounting principles as an element aimed at levelling the impact of fluctuations in the foreign exchange rates on the Company's results through reflecting the effects of differences between payment deadlines on liabilities and goods outflows.

20. Agreements concluded between the Company and the persons managing it

Members of the Management Board of ACTION S.A., i.e. Piotr Bieliński and Kazimierz Lasecki, performed their obligations under employment contracts until 31st August 2010. Until then any compensation which might have been due with respect to their performance or dismissal were regulated by the provisions of the labour law.
As at 1st September 2010, the basis of remuneration paid to the indicated persons on account of performed functions was changed from employment contracts to resolutions of the Supervisory Board. Possible compensation which may be due to both members of the Management Board in the case of dismissal is a five-month remuneration.
Edward Wojtysiak performs his obligations on the basis of a "Management Contract" regulating mutual relations connected with the performance of his obligations as Member of the Company's Management Board. This contract does not contain any provisions which might lead to changes in the shareholding structure in the future. This contract does not provide for any compensation in the case of removal from the Company's Management Board.
On 8th August 2011, Kazimierz Lasecki resigned from the position of Vice-President of the Management Board.
On 9th August 2011, Sławomir Harazin was appointed for the position of the Vice-President of the Management Board, he has held this position pursuant to a resolution passed by the Supervisory Board. The resolution did not stipulate any compensation in the case of his dismissal from the Company's Management Board.

21. Value of remunerations, awards or benefits for the persons managing or supervising the Company

Remuneration of persons managing or supervising the Company is described in detail in Note 35 to the Financial Statements.

One Member of the Management Board of ACTION S.A. holds shares in related entities:

Piotr Bieliński holds shares in SFERIS Sp. z o.o.
- 15 shares with the nominal value of PLN 16 thousand (out of 27,707 shares) constituting less than 0.01% of capital.

22. Nominal value and total number of all the Company's shares

The Company has issued a total of 16,410,000 shares, including 11,910,000 A series shares and 4,500,000 B series shares with the nominal value of PLN 0.10 each and having the total nominal value of PLN 1,641,000.

23. Information on the agreements which may influence the current shareholder structure

On 15th November 2006 the Extraordinary Meeting of the Company's Shareholders passed a resolution on the issue of subscription warrants and excluding the right to subscribe for subscription warrants. In order to carry out its incentive programme, ACTION S.A. issued 547,000 registered subscription warrants entitling one to subscribe for C series shares on specific terms and conditions. The issue took place in December 2007 within a conditional increase of the share capital excluding the subscription right. The persons entitled to subscribe the warrants were those person covered by the incentive programme the regulations of which had been passed by the Supervisory Board. The warrants were subscribed for by person duly authorised thereto and subsequently they were sold to a Member of the Management Board of ACTION S.A. The right to subscribe for C series shares arising from the subscription warrants may be exercised not later than on 31th December 2015 pursuant to Resolutions no. 3 and 5 of the Extraordinary General Meeting of ACTION S.A. of 21st December 2009.

24. Information on the systems of control of the employee shares programs

The Company does not have any employee share schemes.

25. Information concerning the entity authorised to audit Financial Statements

Detailed information concerning the entity authorised to audit Financial Statements was presented in Note 37 to the Financial Statements.

26. Expected development of the Company and its financial standing

In 2012 the Company shall carry out its growth strategy, in particular:
- by fully benefiting from concluded distribution agreements,
- by further developing of its sales network,
- by further developing of its online sales,
- by making a better use of its warehousing and logistics facilities.
- by capital acquisition investments.

Having implemented the assumptions specified above, the Management Board of ACTION S.A. expects to enhance sales at a rate not lower than the general market growth rate. It is expected that the Company's advantageous financial situation will be maintained.

Piotr Bieliński
President of the Management Board

Sławomir Harazin
Vice-President of the Management Board

Edward Wojtysiak
Vice-President of the Management Board

Warsaw, 19th March 2012