

ABC Data S.A.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2016
WITH AUDITOR'S REPORT ON THE REVIEW**

The logo for ABC DATA features the word "ABC DATA" in a bold, black, sans-serif font. A red diagonal line is positioned to the left of the letter "A", extending from the top left towards the middle of the letter.

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2016

Notes	3 months ended 30.06.2016 (unaudited)	6 months ended 30.06.2016 (unaudited)	3 months ended 30.06.2015 (unaudited)	6 months ended 30.06.2015 (unaudited)
Revenues	1 004 396	1 875 286	904 158	2 122 044
Cost of sales	(955 068)	(1 783 372)	(848 504)	(2 013 341)
Gross profit on sales	49 328	91 914	55 654	108 703
Other operating income	1 094	8 381	419	889
Selling expenses	(42 410)	(79 941)	(35 117)	(71 859)
Administrative expenses	(6 529)	(12 766)	(3 402)	(9 612)
Other operating expenses	(175)	(238)	(209)	(1 816)
Gross profit on operations	1 308	7 350	17 345	26 305
Financial income	22 465	22 477	20 421	20 428
Financial expenses	(1 769)	(3 413)	(1 882)	(3 889)
Net financial expenses	20 696	19 064	18 539	16 539
Profit before tax	22 004	26 414	35 884	42 844
Income tax	(46)	(1 021)	(3 264)	(4 431)
	21 958	25 393	32 620	38 413
Items that may be subsequently reclassified to profit or loss				
Net change in fair value of cash flow hedges	(7 129)	(3 067)	(3 916)	1 461
Income tax on other comprehensive income	1 355	583	744	(278)
Total other comprehensive income	(5 774)	(2 484)	(3 172)	1 183
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16 184	22 909	29 448	39 596
Profit (loss) per share in PLN:				
– basic profit for the reporting period	0,18	0,21	0,26	0,31
– diluted profit for the reporting period	0,18	0,21	0,26	0,31

Ilona Weiss	Juliusz Niemoćko	Andrzej Kućniak	Maciej Kowalski	Krystyna Cybulska
<i>President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Chief Accountant</i>

Warsaw, 25 August 2016

CONDENSED INTERIM BALANCE SHEET as at 30 June 2016

	<i>Notes</i>	<i>30.06.2016</i> <i>(unaudited)</i>	<i>31.12.2015</i>	<i>30.06.2015</i> <i>(unaudited)</i>
ASSETS				
Non-current assets				
Property, plant and equipment	9	3 650	4 101	3 844
Intangible assets	9	27 584	27 175	27 562
Long term investments	10	52 697	46 314	36 511
Deferred tax assets		8 389	8 158	10 205
		92 320	85 748	78 122
Current assets				
Inventories	11	411 056	388 403	382 129
Short-term financial assets		5 229	794	3 780
Income tax receivables		5 262	1 077	-
Trade and other receivables		437 969	486 690	371 804
Cash and cash equivalents	6	3 868	4 734	9 580
		863 384	881 698	767 293
TOTAL ASSETS		955 704	967 446	845 415
EQUITY AND LIABILITIES				
Equity				
Share capital	15	125 267	125 267	125 267
Share premium		39 825	39 825	39 825
Treasury shares		(10 065)	(10 065)	(10 065)
Other reserve capital		(2 454)	-	(3 076)
Retained profit		83 425	105 844	83 981
		235 998	260 871	235 932
Long-term liabilities				
Provisions for employee benefits		437	437	452
Provisions	12	654	719	681
		1 091	1 156	1 133
Short-term liabilities				
Current portion of interest-bearing bank and other borrowings	13	128 572	96 293	88 428
Liabilities due to employee benefits		8 958	9 237	8 220
Other financial liabilities	14	63 530	21 628	44 840
Corporate income tax liabilities		-	-	1 178
Trade and other liabilities		514 571	575 007	462 595
Provisions	12	2 984	3 254	3 089
		718 615	705 419	608 350
Total liabilities		719 706	706 575	609 483
TOTAL EQUITY AND LIABILITIES		955 704	967 446	845 415

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Warsaw, 25 August 2016

CONDENSED INTERIM STATEMENT OF CASH FLOWS for the 6-month period ended 30 June 2015

	<i>Notes</i>	<i>6 months ended 30.06.2016 (unaudited)</i>	<i>6 months ended 30.06.2015 (unaudited)</i>
Cash flow from operating activities			
Gross profit		26 414	42 844
Adjusted by:			
Amortization / Depreciation		1 002	1 096
Share base expenses		30	-
(Profit)/loss on investing activities		(20)	(62)
(Increase)/ decrease in receivables		48 721	84 219
(Increase)/ decrease in inventories		(22 653)	(49 990)
Increase/ (decrease) in liabilities, except for borrowings		(60 436)	(25 470)
Financial income		(22 477)	(20 428)
Financial expenses		3 413	3 889
Increase/(decrease) in liabilities to employees		(279)	(1 878)
Change in provisions	12	(335)	931
Income tax paid		(4 854)	(7 851)
Other		(8 478)	1 671
Net cash flow from operating activities		(39 952)	28 971
Cash flow from investing activities			
Sales of property, plant and equipment and intangible assets	9	30	500
Acquisition of property, plant and equipment and intangible assets	9	(971)	(684)
Dividends received from subsidiaries	19	17 233	16 640
Interest received		20	13
Net cash flow from investing activities		16 312	16 469
Cash flow from financing activities			
Purchase of treasury shares	15	-	(4 646)
Receipts from borrowings	19	-	7 000
Re-payment of borrowings		-	(16 640)
Change in overdrafts	13	32 279	(18 926)
Inflows/(outflows) due to cash pooling		(5 853)	-
Interest paid		(3 652)	(4 055)
Net cash flow from financing activities		22 774	(37 267)
Net increase/(decrease) in cash and cash equivalents		(866)	8 173
Opening balance of cash		4 734	1 407
Closing balance of cash	6	3 868	9 580

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Warsaw, 25 August 2016

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2016

	<i>Note</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Other reserve capital</i>	<i>Retained profit</i>	<i>Net profit</i>	<i>Total equity</i>
6 months 2016								
As at 1 January 2016		125 267	39 825	(10 065)	-	105 844	-	260 871
Net profit for the period		-	-	-	-	-	25 393	25 393
Other net comprehensive income for the period		-	-	-	(2 484)	-	-	(2 484)
Comprehensive income for the period		-	-	-	(2 484)	-	25 393	22 909
Purchase of treasury shares		-	-	-	-	-	-	-
Share-based payments		-	-	-	30	-	-	30
Dividend declared	7	-	-	-	-	(47 812)	-	(47 812)
As at 30 June 2016		125 267	39 825	(10 065)	(2 454)	58 032	25 393	235 998

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Warsaw, 25 August 2016

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY for the 12-month period ended 31 December 2015

	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Other reserve capital</i>	<i>Retained profit</i>	<i>Net profit</i>	<i>Total equity</i>
12 months 2015							
As at 1 January 2015	125 267	39 825	(5 419)	(4 259)	89 702	-	245 116
Net profit for the period	-	-	-	-	-	60 276	60 276
Other net comprehensive income for the period	-	-	-	4 235	-	-	4 235
Comprehensive income for the period	-	-	-	4 235	-	60 276	64 511
Purchase of treasury shares	-	-	(4 646)	-	-	-	(4 646)
Share-based payments	-	-	-	24	-	-	24
Dividend paid	-	-	-	-	(44 134)	-	(44 134)
As at 31 December 2015	125 267	39 825	(10 065)	-	45 568	60 276	260 871

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Warsaw, 25 August 2016

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2015

	<i>Note</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Other reserve capital</i>	<i>Retained profit</i>	<i>Net profit</i>	<i>Total equity</i>
6 months 2015								
As at 1 January 2015		125 267	39 825	(5 419)	(4 259)	89 702	-	245 116
Net profit for the period		-	-	-	-	-	38 413	38 413
Other net comprehensive income for the period		-	-	-	1 183	-	-	1 183
Comprehensive income for the period		-	-	-	1 183	-	38 413	39 596
Purchase of treasury shares		-	-	(4 646)	-	-	-	(4 646)
Dividend declared	7	-	-	-	-	(44 134)	-	(44 134)
As at 30 June 2015		125 267	39 825	(10 065)	(3 076)	45 568	38 413	235 932

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Warsaw, 25 August 2016

NOTES

1. General Information

ABC Data S.A. (the “Company”) is a publicly traded joint-stock company with its registered office in Warsaw. The condensed interim financial statements of the Company present figures for the 6-month period ended 30 June 2016 and comparative data for the 6-month period ended 30 June 2015 and as at 31 December 2015. Additionally, the statement of comprehensive income and the related notes present figures for the 3-month period ended 30 June 2016 and comparative data for the 3-month period ended 30 June 2015, which have not been reviewed or audited by a certified auditor.

The Company was incorporated by a notarized deed of 25 July 2007 under the name of ABC Data Holding S.A. It has been operating under the name of ABC Data S.A. since 4 January 2010.

It is registered in the Register of Entrepreneurs of the National Court Register kept by the District Court, 13th Business Division of the National Court Register, under number KRS 0000287132. The statistical (REGON) number assigned to it is 141054682.

The existence of the Company is perpetual.

The Company’s core business includes:

- wholesale of computers, peripherals and software;
- wholesale of electronic and telecommunication equipment;
- manufacture of computers and peripherals;
- software-related activities;
- data processing, hosting and similar activities;
- repair and maintenance of computers and peripherals;
- other IT and computer services;
- IT equipment administration;
- other non-school forms of education.

On 25 August 2016, these condensed interim financial statements of the Company for the 6-month period ended 30 June 2016 were approved for publication by the Management Board.

The Company prepared also condensed interim consolidated financial statements for the 6-month period ended 30 June 2016, which were approved for publication by the Management Board on 25 August 2016.

2. Basis for preparation of the condensed interim financial statements

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standard 34, as endorsed by the European Union. As at the date of approval of these financial statements for publication, considering the IFRS implementation process taking place in the EU and the activities carried out by the Company, as regards the accounting principles applied by the Company, the IFRS which came into force do not differ from those endorsed by the EU.

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

These condensed interim financial statements have been presented in Polish zlotys (PLN) and all figures are in PLN thousand, unless stated otherwise.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements, there were no circumstances that would indicate a risk to the Company’s ability to continue as a going concern.

The condensed interim financial statements do not include all the information and disclosures required for annual financial statements and they should be read together with the Company’s financial statements for the year ended 31 December 2015.

The interim profit/loss may not fully reflect the realizable performance for the financial year.

3. Summary of significant accounting policies

The accounting principles (policy) adopted for the preparation of these financial statements are consistent with those used for the preparation of the financial statements of the Company for the year ended 31 December 2015, except for the following amendments to standards and new interpretations applicable to annual periods beginning on 1 January 2016:

- **Amendments to IFRS 11 “Joint Arrangements”** – Accounting for Acquisitions of Interests in Joint Operations, endorsed by the EU on 24 November 2015 (applicable to annual periods beginning on or after 1 January 2016);
- **Amendments to IAS 1 “Presentation of Financial Statements”** – Disclosure Initiative, endorsed by the EU on 18 December 2015 (applicable to annual periods beginning on or after 1 January 2016);
- **Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”** – Clarification of Acceptable Methods of Depreciation and Amortization, endorsed by the EU on 2 December 2015 (applicable to annual periods beginning on or after 1 January 2016);
- **Amendments to IAS 16 “Property, Plant and Equipment” and IAS 41 “Agriculture”** – Agriculture: Bearer Plants, endorsed by the EU on 23 November 2015 (applicable to annual periods beginning on or after 1 January 2016);
- **Amendments to IAS 19 “Employee Benefits”** – Defined Benefit Plans: Employee Contributions, endorsed by the EU on 17 December 2014 (applicable to annual periods beginning on or after 1 February 2015);
- **Amendments to IAS 27 “Separate Financial Statements”** – Equity Method in Separate Financial Statements, endorsed by the EU on 18 December 2015 (applicable to annual periods beginning on or after 1 January 2016).
- **Amendments to standards “IFRS Improvements (2010-2012)”** – amendments to standards resulting from the annual improvements process (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38), primarily with a view to removing inconsistencies and clarifying wording, endorsed by the EU on 17 December 2014 (applicable to annual periods beginning on or after 1 February 2015);
- **Amendments to standards “IFRS Improvements (2012-2014)”** – amendments to standards resulting from the annual improvements process (IFRS 5, IFRS 7, IAS 19 and IAS 34), primarily with a view to removing inconsistencies and clarifying wording, endorsed by the EU on 15 December 2015 (applicable to annual periods beginning on or after 1 January 2016).

The amendments had no effect on the financial position or the performance of the Company.

The Company did not decide to apply early any standard, interpretation or amendment which had been published but was not yet effective.

4. Seasonality of operations

Sales of computers and electronic appliances are subject to seasonal changes. Higher revenue and operating profit is usually generated in the second half of the year. The sales level is the highest in November and December. This cycle directly translates into trade receivable amounts and the use of bank loans and credit facilities.

5. Financial revenue

		<i>3 months ended 30.06.2016 (unaudited)</i>	<i>6 months ended 30.06.2016 (unaudited)</i>	<i>3 months ended 30.06.2015 (unaudited)</i>	<i>6 months ended 30.06.2015 (unaudited)</i>
Bank interest income		8	20	6	13
Dividend income from subsidiaries	19	22 457	22 457	20 307	20 307
Profit on exchange of dividends receivables		-	-	108	108
		22 465	22 477	20 421	20 428

6. Cash and cash equivalents

For purposes of the condensed interim statement of cash flows, cash and cash equivalents include:

	<i>30.06.2016 (unaudited)</i>	<i>30.06.2015 (unaudited)</i>
Cash at bank and in hand	3 868	9 580
Other cash	-	-
	3 868	9 580

7. Dividends paid and proposed

The dividend from ordinary shares for 2015 was paid on 11 July 2016 and amounted to PLN 47,812 thousand. The dividend per share for 2015 was PLN 0.39.

The dividend from ordinary shares for 2014 was paid on 8 July 2015 and amounted to PLN 44,134 thousand. The dividend per share for 2014 was PLN 0.36.

8. Income tax

Key tax charge components in profit or loss:

	<i>3 months ended 30.06.2016 (unaudited)</i>	<i>6 months ended 30.06.2016 (unaudited)</i>	<i>3 months ended 30.06.2015 (unaudited)</i>	<i>6 months ended 30.06.2015 (unaudited)</i>
Current income tax charge	(670)	(670)	(3 787)	(5 580)
Deferred income tax	624	(351)	523	1 149
Income tax charged to net profit for the current period	(46)	(1 021)	(3 264)	(4 431)

9. Property, plant and equipment and intangible assets

9.1. Acquisition and sale of property, plant and equipment

During the 6 months ended 30 June 2016, the Company acquired property, plant and equipment of PLN 209 thousand (as compared to PLN 226 thousand during the 6-month period ended 30 June 2015).

During the 6 months ended 30 June 2016, the Company sold property, plant and equipment of PLN 10 thousand. During the 6-month period ended 30 June 2015, items of property, plant and equipment of PLN 438 thousand were sold.

9.2. Acquisition and sale of intangible assets

During the 6 months ended 30 June 2016, the Company acquired intangible assets of PLN 762 thousand (as compared to PLN 458 thousand during the 6-month period ended 30 June 2015).

During the 6 months ended 30 June 2016, the Company did not sell any intangible assets. A similar situation occurred during the 6 months ended 30 June 2015.

10. Long-term investments

	<i>30.06.2016</i> <i>(unaudited)</i>	<i>31.12.2015</i>	<i>30.06.2015</i> <i>(unaudited)</i>
Investments in subsidiaries	46 314	46 314	36 511
Investments in other entities	6 383	-	-
Total	52 697	46 314	36 511

During the 6 months ended 30 June 2016, the Company took up 19.9% of shares in BizneslinkCO Sp. z o.o., an entity related to the key shareholder of ABC Data. The shares were taken up in exchange for a contribution in the form of an Internet domain and the bizneslink trademark. The Company classified the transaction involving a transfer of the said Internet domain and the trademark as an asset exchange transaction, which was measured based on the fair value of the transferred set of assets of PLN 6,383 thousand, in accordance with an independent valuation.

A gain of PLN 6,367 thousand resulting from the measurement of the aforesaid assets and the accounting for the transaction costs was recognized in other operating revenue.

11. Inventories

As at 30 June 2016, the impairment loss on inventories reducing their value to the net realizable value amounted to PLN 12,490 thousand (as compared to PLN 13,954 thousand as at 31 December 2015 and PLN 17,861 thousand as at 30 June 2015). The change is recognized in "Costs of goods sold".

12. Provisions

	<i>Guarantee costs</i>	<i>Onerous contracts</i>	<i>Total</i>
Amount as at 1 January 2016	3 593	380	3 973
Recognized	-	-	-
Derecognized	(323)	(12)	(335)
Amount as at 30 June 2016	3 270	368	3 638
Long-term portion	654	-	654
Short-term portion	2 616	368	2 984

	<i>Guarantee costs</i>	<i>Onerous contracts</i>	<i>Total</i>
Amount as at 1 January 2015	2 716	123	2 839
Recognized	691	241	932
Derecognized	-	-	-
Amount as at 30 June 2015	3 407	364	3 771
Long-term portion	681	-	681
Short-term portion	2 725	364	3 089

Warranty costs

The Company recognizes a provision for costs of complaints related to warranties and guarantees given with regard to goods sold. The provision is estimated based on the sales volume, length of warranty periods, historical data regarding faulty goods and the related losses and current operating costs of the service department. It is estimated that a provision of PLN 2,616 thousand will be used during the 12-month period ending on 30 June 2017, whereas the remaining balance after the said date.

Onerous contracts

Additionally, the Company recognizes a provision related to goods purchase orders pending as at the end of the reporting period, which will be fulfilled at prices higher than the net realizable value. The provision is estimated on the basis of a detailed analysis of goods sales price trends after the end of the reporting period. Both recognition and derecognition of the said provision are charged to other operating expenses. It is expected that the total balance will be used in 2016.

13. Interest-bearing bank loans and credit facilities

Information on loans and changes in their balances (by bank):

in thousand PLN	Currency	Interest	Maturity date	30.06.2016	31.12.2015	30.06.2015
Overdraft facility - Bank Polska Kasa Opieki S.A.	PLN	Wibor 1M+margin	15.12.2017	49 658	11 910	-
Overdraft facility - Bank Polska Kasa Opieki S.A.	EUR	Euribor 1M+margin	15.12.2017	2 887	1 227	10 368
Overdraft facility - Bank Polska Kasa Opieki S.A.	USD	Libor 1M+margin	15.12.2017	1 288	1 438	2 827
Overdraft facility - Bank Millennium S.A.	PLN	Wibor 1M+margin	28.04.2017	6 980	30 099	523
Overdraft facility - Bank Millennium S.A.	EUR	Euribor 1M+margin	28.04.2017	11 981	408	11 641
Overdraft facility - Bank Millennium S.A.	USD	Libor 1M+margin	28.04.2017	642	430	4 468
Overdraft facility - Bank ING Bank Śląski S.A.	PLN	Wibor 1M+margin	09.10.2025	-	-	-
Credit facility - cash pool account -Bank ING Bank Śląski S.A.	PLN	Wibor 1M+margin	09.10.2025	1 810	7 844	-
Overdraft facility - Bank ING Bank Śląski S.A.	EUR	Euribor 1M+margin	09.10.2025	14 383	114	10 623
Overdraft facility - Bank ING Bank Śląski S.A.	USD	Libor 1M+margin	09.10.2025	0	6 064	592
Overdraft facility - Bank ING Bank Śląski S.A.	CZK	Pribor 1M+margin	09.10.2025	2 602	1 460	4 906
Overdraft facility -Societe General SA	PLN	Wibor 1M+margin	23.09.2019	4 437	23 754	298
Overdraft facility -Societe General SA	EUR	Euribor 1M+margin	23.09.2019	14 090	11 438	15 303
Overdraft facility -Societe General SA	USD	Libor 1M+margin	23.09.2019	244	107	119
Overdraft facility -BGŻ BNP Paribas	PLN	Wibor 1M+margin	01.12.2025	269	-	-
Overdraft facility -BGŻ BNP Paribas	EUR	Euribor 1M+margin	01.12.2025	17253	-	-
Overdraft facility -BGŻ BNP Paribas	USD	Libor 1M+margin	01.12.2025	48	-	-
Borrowings from subsidiary	PLN	n/d	n/d	-	-	26 760
Total				128 572	96 293	88 428

Bank loans have been collateralized by means of a written declaration of submission to enforcement under Article 97.1-2 of the Banking Law, along with an authorization for the banks to issue enforced collection orders, or a declaration of submission to enforcement made in the form of a notarized deed under Article 777.1.5 of the Code of Civil Procedure.

Interest liabilities are usually paid in monthly periods during the entire financial year.

14. Other financial liabilities

	30.06.2016 (unaudited)	31.12.2015 (unaudited)	30.06.2015 (unaudited)
Dividend payable	47 812	-	44 134
Cash pooling liability	15 268	21 121	
Currency forward contracts-liabilities	182		514
Accrued interest on factoring	268	507	192
Total	63 530	21 628	44 840

15. Equity

Share capital

As at 30 June 2016, the shareholding structure was as follows:

	Number of shares	Number of votes at GSM	Percentage of votes held
MCI Venture Projects sp. z o.o. VI.S.K.A.	77 060 378	77 060 378	61,52%
OFE PZU "Złota Jesień"	11 624 678	11 624 678	9,28%
Aviva OFE Aviva BZ WBK	8 741 426	8 741 426	6,98%
Other shareholders	27 840 417	27 840 417	22,22%
Total	125 266 899	125 266 899	100,00%

16. Hedge accounting

The Company hedges currency risk related to sales indexed to EUR and USD exchange rates and denominated in these currencies with foreign currency monetary items, i.e. trade liabilities reduced by trade receivables and cash, and increased/reduced by the notional value of FX forwards and FX swaps regarding currency sales/purchases. The Company designates certain foreign currency monetary items as hedging instruments in the cash flow hedge model and recognizes them in line with the hedge accounting principles.

The following tables present the key parameters of foreign currency monetary items designated as hedging instruments, including periods when cash flows will occur arising from the cash flow hedges and when they will have an effect on the profit/loss, as well as their fair value in PLN thousand as at 30 June 2016.

Hedging instruments – EUR

Instrument type	Nominal amount		Fair value*		Expected maturity of hedged position	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Trade liabilities	(237 406)	(200 069)	(237 406)	(200 069)	July/August 2016	July/August 2015
Trade receivables	82 443	83 651	82 443	83 651	July/August 2016	July/August 2015
Cash	(59 723)	(47 700)	(59 723)	(47 700)	July/August 2016	July/August 2015
FX Forward EUR	4 426	(10 486)	8	(11)	July/August 2016	July/August 2015
Total monetary items:	(210 260)	(174 604)	(214 678)	(164 129)		

Hedging instruments – USD

Instrument type	Nominal amount		Fair value*		Expected maturity of hedged position	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Trade liabilities	(79 967)	(61 694)	(79 967)	(61 694)	July/August 2016	July/August 2015
Trade receivables	9 455	18 520	9 455	18 520	July/August 2016	July/August 2015
Cash	(1 741)	(7 751)	(1 741)	(7 751)	July/August 2016	July/August 2015
FX Forward USD	28 658	-	(38)	-	July/August 2016	July/August 2015
Total monetary items:	(43 595)	(50 925)	(72 291)	(50 925)		

* For items other than FX forward derivative transactions, the carrying amount has been presented. According to the Company, the carrying amount of these items does not materially differ from their fair value.

Changes in the fair value of cash flow hedges recognized in equity are presented below.

	<i>6 months ended 30.06.2016</i>	<i>6 months ended 30.06.2015</i>
Opening balance	(71)	(5 299)
Effective portion of profit/loss on the hedging instrument	(9 890)	(4 807)
Amounts charged to profit or loss, including:	(6 824)	(6 269)
- Adjustment of sales revenue	(6 824)	(6 269)
- Adjustment arising from hedge ineffectiveness	-	-
Closing balance	(3 137)	(3 837)

17. Capital management

The key objective of the Management Board is to maintain a capital structure that would enable the Company's growth, guarantee return on investment for the shareholders, and ensure that the lenders' opinion on the Company is positive.

The capital structure is monitored on the basis of the net debt to EBITDA ratio.

Net debt includes credit facilities, loans and cash pool liabilities less cash and cash equivalents. EBITDA is defined as the net profit/loss determined in line with IFRS-EU, increased by amortization/depreciation, impairment losses on property, plant and equipment and on intangible assets, net financial expenses and income tax.

As at 30 June 2016, the said ratio was as follows:

	<i>30.06.2016 (unaudited)</i>	<i>30.06.2015 (unaudited)</i>
Net debt	139 972	78 848
EBITDA *	21 802	46 054
Net debt ratio	6,4	1,7

**/EBITDA for the 12-month periods ended 30 June 2016 and 30 June 2015*

The Company aims to maintain the ratio at the maximum level of 4, calculated based on the consolidated data. The Management Board pro-actively shapes the ratio through the implementation and enforcement of procedures aimed to optimize the demand for working capital financing. Further, the ratio is adjusted by changes in dividend or issue of shares.

Additionally, pursuant to the Code of Commercial Companies, the Company is obliged to create supplementary capital by appropriating at least 8% of profit for each financial year, until its balance corresponds to at least one-third of the share capital value.

18. Contingent liabilities

On 16 March 2015, the Company entered into a tripartite loan agreement with ING Bank Śląski and its subsidiary, iSource S.A., whereby the Company and iSource assume joint and several liability for the payment of the amounts due to the bank.

On 30 September 2015, the Company concluded a cash pool agreement with ING Bank Śląski S.A. (the Bank) and its subsidiaries, ABC Data Marketing Sp. z o.o. and iSource S.A. Pursuant to the agreement, each Participant commits to repay any debt arising from non-payment of the daily limit by any of the Participants.

ABC Data S.A. has given guarantees and surety bonds to secure the payment of its subsidiaries' liabilities to their suppliers and financial institutions. As at 30 June 2016, the related contingent liabilities amounted to:

- USD 20,000 thousand – relating to the liabilities of iSource S.A.;
- USD 4,550 thousand, EUR 2,400 thousand and RON 600 thousand – relating to the liabilities of ABC Data Distributie SRL;

- CZK 364,455 thousand – relating to the liabilities of ABC Data s.r.o in the Czech Republic;
- USD 1,000 thousand – relating to the liabilities of ABC Data Kft.

Furthermore, at the request of ABC Data S.A., Bank Handlowy w Warszawie S.A. issued a letter of credit of USD 100 thousand to secure foreign currency transactions of ABC Data Distributie SRL.

Pursuant to the Act on Copyright and the Neighboring Rights of 4 February 1994, the Company, as an importer of copiers, scanners and similar devices enabling the copying of published works, as well as blank data carriers enabling the recording of works for personal use, pays charges to organizations managing copyrights and the related rights collectively. Following an inspection carried out by an auditor appointed by these organizations, they have claimed significant additional amounts from the Company. According to the Company, the auditor's calculations include a number of errors, and the resulting claims are groundless. At present, a dispute with one of the organizations is pending. Due to doubts regarding the interpretation of legal provisions and differences in court decisions, the Company has recognized a provision for the amount which, in its opinion, fully covers the risk related to a possibility of an unfavorable ruling.

In the current period, a collective copyright management organization filed claims against the Company for the payment of PLN 19,206 thousand in relation to amounts due allegedly for the Company's sale of devices and blank data carriers. According to the Company and a third-party legal adviser, the calculation methodology used in the suit contains numerous errors and the related claims are baseless.

Tax returns

Corporate income tax for the 2007/2008 fiscal year

The proceedings were closed with the issue of a decision by the Director of the Tax Chamber in Warsaw on 17 September 2013, whereby the tax loss determined was lower than the loss reported in the Company's tax return by PLN 245 thousand. In its judgment of 25 April 2014, the Regional Administrative Court in Warsaw dismissed the appeal filed by the Company against the said decision of the Director of the Tax Chamber in Warsaw. The Company filed a last resort appeal against the aforementioned judgment with the Supreme Administrative Court in Warsaw and is awaiting a resolution of the matter.

Corporate income tax for the 2010 fiscal year

In 2011, inspection proceedings were instituted by the Director of the Tax Inspection Office in Warsaw against the Company with respect to corporate income tax for 2010. The proceedings were discontinued by a decision of 5 June 2014, which determined the Company's corporate income tax liability for 2010. Despite the Company's appeal, the aforesaid decision was upheld by the Director of the Tax Chamber in Warsaw. In 2015, the Company paid the outstanding tax liability under the aforementioned decision, including interest due, and filed an appeal with the Regional Administrative Court in Warsaw against the decision of the Director of the Tax Chamber in Warsaw in whole.

In its judgment of 19 April 2016, the Regional Administrative Court in Warsaw repealed the decision appealed against. The judgment is not final. The Company agrees with the resolution of the first-instance court, whereby the decision was repealed. However, it questions the statement of reasons in several respects. Therefore, on 12 July 2016, it filed a last resort appeal with the Supreme Administrative Court.

Value added tax for September 2012 and for the second quarter of 2014

In October 2014, the Head of the Second Mazovian Tax Office in Warsaw instituted tax proceedings against the Company with respect to value added tax for September 2012, as a continuation of an inspection which began in December 2013. The proceedings were pending as at the date of the financial statements.

In September 2014, inspection proceedings were instituted against the Company on the authorization of the Director of the Tax Inspection Office in Warsaw to examine reliability of the tax bases declared by the Company as well as correctness of calculation of value added tax paid for the second quarter of 2014. The aforesaid proceedings had not been closed by the date of these financial statements.

Several years ago, the Company implemented strict quality control and vendor management procedures aimed to minimize the risk of irregularities in its tax reports. As the procedures are followed with due care, the Management Board is of the opinion that payments of regulatory liabilities are made as appropriate. Therefore, the probability of an unfavorable result of the aforementioned proceedings is considered to be low and it is not necessary to estimate any related provision.

19. Related-party transactions

The following table presents aggregate amounts of transactions concluded with related parties during the 6 months ended 30 June 2016 and 30 June 2015, respectively, in addition to the balances of receivables and liabilities as at 30 June 2016 and 31 December 2015, respectively.

<i>Related party</i>		<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
<u>MCI Management S.A. Group companies</u>					
MCI Management S.A.	2016	-	-	-	-
Morele Net Sp. z o.o.	2016	35 062	4 357	10 052	413
MCI Management S.A.	2015	10	-	-	-
Morele Net Sp. z o.o.	2015	23 244	1 544	8 014	674
<i>Related party</i>		<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
<u>Subsidiaries</u>					
ABC Data Marketing Sp. z o.o.	2016	204	12 455	81	2 886
ABC Data s.r.o. - Czechy	2016	90 415	5 974	28 056	1 094
ABC Data s.r.o. - Słowacja	2016	48 192	747	13 823	6
UAB ABC Data Lietuva - Litwa	2016	98 065	-	11 132	-
ABC Data Hungary Kft.	2016	54 773	557	17 910	40
ABC Data Distributie SRL	2016	81 590	8	36 263	2
ABC Data GmbH - Niemcy	2016	(4)	7	2 570	7
iSource S.A.	2016	290	6	10	6
ABC Data Finanse Sp. z o.o.	2016	10	-	2	-
ABC Data Marketing Sp. z o.o.	2015	257	12 426	32	2 758
ABC Data s.r.o. - Czechy	2015	145 078	4 114	38 787	2 143
ABC Data s.r.o. - Słowacja	2015	33 838	1 443	12 657	716
UAB ABC Data Lietuva - Litwa	2015	135 243	-	9 633	25
ABC Data Hungary Kft.	2015	48 669	650	15 485	182
ABC Data Distributie SRL	2015	68 094	2	24 372	1
ABC Data GmbH - Niemcy	2015	49 204	-	3 752	-
iSource S.A.	2015	501	10	121	35
ABC Data Finanse Sp. z o.o.	2015	-	-	6	-

Cash pool transactions

<i>related party</i>		Interest expenses	Interest revenues	Receivables	Liabilities
Subsidiaries					
ABC Data Marketing Sp. z o.o.	2016	139	-	-	14 314
Isource S.A.	2016	2	15	-	954
ABC Data Marketing Sp. z o.o.	2015	-	-	-	21 073
Isource S.A.	2015	-	-	-	48

Loans from a subsidiary – ABC Data Marketing Sp. z o.o.

		Receipts from borrowings	Repaid borrowings	Borrowings as at 31 March 2015	Interest paid
ABC Data Marketing Sp. Z o.o.	2016	-	-	-	-
ABC Data Marketing Sp. Z o.o.	2015	7 000	16 640	-	559

Dividend income from subsidiaries

<i>Dividend income from subsidiaries 2016</i>	<i>w tys. PLN</i>
ABC Data Marketing Sp. z o.o.	13 729
iSource S.A./*	5 224
UAB "ABC Data" - LT	3 504
Total	22 457

<i>Dividend income from subsidiaries 2015</i>	<i>w tys. PLN</i>
ABC Data Marketing Sp. z o.o.	16 640
iSource S.A.	951
UAB "ABC Data" - LT	2 716
Total	20 307

/*The dividend from iSource S.A. was paid after the end of the reporting period. Dividend receivables were presented as "Current financial assets" on the balance sheet.

Remuneration paid to the Management and Supervisory Board members

	<i>6 months ended 30.06.2016 (unaudited)</i>	<i>6 months ended 30.06.2015 (unaudited)</i>
Management Board		
Short-term employee benefits (payroll and payroll charges)	2 560	940
Supervisory Board		
Short-term employee benefits (payroll and payroll charges)	210	179
	2 770	1 119

20. Subsequent events

On 22 August 2016, ABC Data S.A. entered into an investment agreement concerning the Company's purchase of a controlling interest in the share capital of S4E S.A. ("S4E") with its registered office in Kraków, equal to 1,412,423 shares representing 81.3% of the share capital (the "Shares") from Bartosz Stebnicki and Joanna Gawąd – Stebnicka being parties to a joint property of husband and wife arrangement (the "Sellers").

The Company reported its entry into the aforesaid Investment Agreement in Current Report No. 21/2016 of 22 August 2016.

Under the Investment Agreement, the Company will acquire a controlling interest in the share capital of S4E equal to 1,412,423 shares representing 81.3% of the share capital of S4E.

The price agreed by the parties for the 81.3% interest in the share capital of S4E S.A. may range from PLN 19.8 million to PLN 25.4 million, depending on the fulfilment of the business objectives defined in the Agreement by the Sellers and S4E. The price will be paid by the Company in the manner and on the terms specified in the Investment Agreement.

A special purpose vehicle in the form of a limited liability company (the "SPV") will be established for purposes of acquisition of the controlling interest by ABC Data S.A. Under the Agreement, the Sellers assume the obligation to transfer the title to 162,500 Shares onto the SPV and purchase, through the SPV, 1,249,923 Shares from the remaining shareholders that have committed to sell their Shares under separate agreements.

As a result of the Share purchase, the SPV will hold 1,412,423 Shares representing 81.3% of the share capital of S4E. Under the Investment Agreement, the Sellers assumed the obligation to sell all the interest in the share capital of the SPV to ABC Data S.A. Once all the objectives defined in the Agreement have been fulfilled, 81.3% of the share capital of S4E will be held by ABC Data S.A. and the remaining 18.7% will be held by other shareholders.

The Agreement is conditional and numerous conditions precedent are technical. Another condition precedent is the consent of the President of the Office of Competition and Consumer Protection for the transaction.

The right to rescind the Investment Agreement, the liquidated damages and the circumstances when they will become due have been defined in the Investment Agreement. These and the remaining terms of the Investment Agreement do not differ from standard terms of similar agreements.

S4E S.A. is one of the major Polish value added distribution companies (VAD) in the IT hardware segment. It began its operations in 2001. In August 2007, the entity's shares were admitted to trading in the alternative trading system on the NewConnect market.

No other events that would have a material effect on these financial statements but have not been presented herein occurred after the end of the reporting period.

Ilona Weiss	Juliusz Niemotko	Andrzej Kuźniak	Maciej Kowalski	Krystyna Cybulska
<i>President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Vice-President of the Management Board</i>	<i>Chief Accountant</i>

Warsaw, 25 August 2016