

**Quarterly Report of AB S.A.  
for the period 01.04.2008 – 30.06.2008**

(date of publication: 26.08.2008)

**Introduction**

Consolidated quarterly report of AB S.A. for the second quarter of the year 2008 contains:

- abbreviated consolidated financial statements as of 30 June 2008, for the period from 01 April 2008 to 30 June 2008
- abbreviated individual financial statements as of 30 June 2008, for the period from 01 April 2008 to 30 June 2008
- supplementary information to the abbreviated consolidated financial statements

Pursuant to § 87(1) of the Regulation of the Minister of Finance of 19 October 2005, AB S.A. does not publish a separate individual quarterly report. The individual report of AB S.A. is published together with the consolidated financial statements.

## 1. Abbreviated consolidated financial statements for the period from 01 April 2008 to 30 June 2008, prepared in accordance with International Financial Reporting Standards

### Description of the group

The following Companies were included in the consolidated financial statements:

- AB S.A. – the dominant company
- Alsen Sp. z o.o. – a subsidiary company – 69.39%
- AT Computers Holding a.s. – a subsidiary company – 100%
- AT Computers a.s. – a subsidiary company – 100% (100% of the company's shares are held by AT Computers Holding a.s.)
- AT Compus s.r.o – a subsidiary company – 100% (100% of the company's shares are held by AT Computers Holding a.s.)
- Comfor Stores a.s. – a subsidiary company – 100% (100% of the company's shares are held by AT Computers Holding a.s.)
- AT Computer s.r.l. – a subsidiary company – 100% (100% of the company's shares are held by AT Computers Holding a.s.)

### Selected Consolidated Financial Data

	in thousand PLN		in thousand EUR	
	6 quarter accrued / period from 01.01.2007 to 30.06.2008	6 quarter accrued / period from 01.01.2005 to 30.06.2006	6 quarter accrued / period from 01.01.2007 to 30.06.2008	6 quarter accrued / period from 01.01.2005 to 30.06.2006
I. Net sales of products, goods and materials	3 012 155		830 436	
II. Operating profit (loss)	35 188		9 701	
III. Gross profit (loss)	22 228		6 128	
IV. Net profit (loss)	16 044		4 423	
V. Net cash flows from operating activities	-758		-209	
VI. Net cash flows from investing activities	-128 655		-35 470	
VII. Net cash flows from financing activities	127 516		35 156	
VIII. Total net cash flows	-1 897		-523	
IX. Total assets	621 020		185 147	
X. Liabilities and provisions	421 813		125 757	
XI. Long-term liabilities	16 369		4 880	
XII. Short-term liabilities	402 898		120 117	
XIII. Equity	199 207		59 390	
XIV. Share capital	15 950		4 755	
XV. Number of shares	15 950 002		15 950 002	
XVI. Profit (loss) per ordinary share (PLN/EUR)	1.01		0.28	
XVII. Book value per share (PLN/EUR)	12.49		3.72	

NBP average exchange rate as at 30.06.2008	3.3542 PLN/EUR
NBP average exchange rate as at 30.06.2006	4.0434 PLN/EUR
Average exchange rate for the period 01.01.2007 – 30.06.2008	3.6272 PLN/EUR
Average exchange rate for the period 01.01.2005 – 30.06.2006	3.9617 PLN/EUR

## Consolidated Balance Sheet – Assets

ASSETS	30.06.2008
<b>I. Non-current assets</b>	<b>110 564.0</b>
1. Intangible assets	21 685.0
2. Goodwill	26 489.0
3. Fixed assets	60 423.0
4. Long-term receivables	0.0
4.1 from affiliates	
4.2 from other entities	
5. Long-term investments	452.0
5.1 Real estate	452.0
5.2 Intangible assets	
5.3 Long-term financial assets	0.0
a) in affiliates, incl.	
- shares	
b) in other entities	
5.4 Other long-term investments	
6. Long-term prepayments	1 515.0
6.1 Deferred tax assets	1 515.0
6.2 Other prepayments	
<b>II. Current assets</b>	<b>510 456.0</b>
1. Inventories	252 076.0
2. Short-term receivables	230 223.0
2.1 from affiliates	
2.2 from other entities	230 223.0
3. Short-term investments	26 191.0
3.1 Short-term financial assets	26 191.0
a) in affiliates	
b) in other entities	5.0
c) cash and cash equivalents	26 186.0
3.2 Other short-term investments	
4. Short-term prepayments	1 966.0
<b>TOTAL ASSETS</b>	<b>621 020.0</b>

## Consolidated Balance Sheet – Liabilities

LIABILITIES	
<b>I. Equity</b>	<b>199 207.0</b>
1. Share capital	15 950.0
2. Unpaid share capital (negative value)	
3. Treasury shares (negative value)	
4. Supplementary capital	135 631.0
5. Revaluation reserve	2 170.0
6. Other reserves	29 178.0
7. Retained profit (loss)	132.0
8. Current year profit (loss)	16 103.0
9. Minority interests	43.0
10. Deductions from current year profit (loss) (negative value)	
<b>II. Liabilities and provisions</b>	<b>421 813.0</b>
1. Provisions	2 412.0
1.1 Deferred income tax provision	
1.2 Provision for pensions and similar obligations	0.0
a) long-term	
b) short-term	
1.3 Other provisions	2 170.0
a) long-term	1 392.0
b) short-term	1 019.3
2. Long-term liabilities	16 369.0
2.1 to affiliates	
2.2 to other entities	16 369.0
3. Short-term liabilities	402 898.0
3.1 to affiliates	

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3.2 to other entities	402 898.0
3.3 Special funds	
4. Accruals	134.0
4.1 Negative goodwill	
4.2 Other accruals	0.0
a) long-term	
b) short-term	134.0
<b>TOTAL LIABILITIES</b>	<b>621 020.0</b>

### Consolidated Off-Balance Sheet Items

	As of the balance sheet date 30.06.2008
<b>1. Contingent receivables</b>	<b>0.0</b>
1.1 from affiliates (in respect of)	
- guarantees received	
1.2 from other entities (in respect of)	0.0
- guarantees received	
<b>2. Contingent liabilities</b>	<b>153 055.4</b>
2.1 to affiliates (in respect of)	
- guarantees	
2.2 to other entities (in respect of)	153 055.4
- guarantees	153 055.4
<b>3. Other (in respect of)</b>	<b>26 559.0</b>
3.1 interest	
3.2 factoring	26 559.0
<b>Total off-balance sheet items</b>	<b>179 614.4</b>

## Consolidated Income Statement

INCOME STATEMENT	01.04.2008 – 30.06.2008	01.01.2007 – 30.06.2008
I. Net sales of products, goods and materials, incl.:	542 981	3 012 155
- from affiliates		
1. Net sales of products	35 816	145 993
2. Net sales of goods and materials	507 165	2 866 162
II. Costs of products, goods and materials sold, incl.:	489 296	2 749 627
- to affiliates		
1. Manufacturing costs of products sold	3 724	16 593
2. Value of goods and materials sold	485 572	2 733 034
III. Gross profit (loss) on sales (I-II)	53 685	262 528
IV. Selling costs	30 708	140 888
V. Administrative expenses	16 063	65 565
VI. Profit (loss) on sales (III-IV-V)	6 914	56 075
VII. Other operating revenues	2 864	3 814
VIII. Other operating costs	5 484	24 701
IX. Operating profit (loss) (VI+VII-VIII)	4 294	35 188
X. Financial revenues	5 029	17 400
XI. Financial costs	7 504	30 347
XII. Economic profit (loss) (IX+X-XI)	1 820	22 241
XIII. Result of extraordinary items (XIII.1 – XIII.2)	0	-13
1. Extraordinary gains		-13
2. Extraordinary losses		
XIV. Profit (loss) before tax (XII+/-XIII)	1 820	22 228
XV. Income tax	976	6 184
a) current portion	370	6 382
b) deferred portion	606	-198
XVI. Other obligatory charges on profit (increases of loss)		
XVII. Share in profits (losses) of subordinated entities		
XVIII. Profit (loss) after tax (XIV-XV-XVI+/-XVII)	844	16 044
XIX. Profit (loss) after tax attributable to shareholders of the dominant entity	862	16 103

## Consolidated Cash Flow Statement

	01.04.2008 – 30.06.2008	01.01.2007 – 30.06.2008
A. Cash flows from operating activities		
I. Net profit	844.0	16 044.0
II. Total adjustments:	-885.0	-16 802.0
1. Share in profits (losses) of subordinated entities	0.0	
2. Depreciation	1 433.0	4 294.0
3. Foreign exchange gains / losses	-1 082.0	284.0
4. Interest and share in profits (dividends)	2 888.0	12 204.0
5. Profit / loss on investing activities	46.0	91.0
6. Change in provisions	242.0	812.0
7. Change in inventories	24 674.0	-8 237.0
8. Change in receivables	19 988.0	54 809.0
9. Change in short-term liabilities, excl. loans and credits	-49 800.8	-79 470.0
10. Change in prepayments and accruals	726.0	-1 589.0
11. Other adjustments	0.0	

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III. Net cash flows from operating activities	-41.0	-758.0
B. Cash flows from investing activities	0.0	0.0
I. Proceeds	74.0	1 820.0
1. Sale of intangible and tangible fixed assets	74.0	1 734.0
2. Sale of investments in real estate and intangible assets		
3. From financial assets, incl.:	0.0	86.0
a) in affiliates	0.0	86.0
- sale of financial assets		
- dividends and share in profits		
- repayment of long-term loans granted	0.0	86.0
- interest received		
- other proceeds from financial assets		
- dividends and share in profits		
- repayment of long-term loans granted		
- interest received		
- other proceeds from financial assets		
b) in other entities	0.0	0.0
- sale of financial assets		
- dividends and share in profits		
- repayment of long-term loans granted		
- interest received		
- other proceeds from financial assets		
4. Other investment proceeds		
II. Expenses	5 473.0	130 475.0
1. Purchase of intangible and tangible fixed assets	5 443.0	25 750.0
2. Purchase of investments in real estate and intangible assets	0.0	
3. For financial assets, incl.:	30.0	104 725.0
a) in affiliates	30.0	104 675.0
- purchase of financial assets	30.0	104 675.0
- long-term loans granted	0.0	
b) in other entities	0.0	50.0
- purchase of financial assets	50.0	50.0
- long-term loans granted	-50.0	
4. Other investment expenses	0.0	
III. Net cash flows from investing activities	-5 399.0	-128 655.0
C. Cash flows from financing activities		
I. Proceeds	28 139.0	206 541.0
1. Net proceeds from issue of shares and other capital instruments	0.0	105 111.0
2. Loans and credits	15 228.0	41 710.0
3. Issue of debt securities	12 911.0	59 720.0
4. Other financial proceeds	0.0	
II. Expenses	15 495.0	79 025.0
1. Purchase of treasury shares	0.0	
2. Dividends and other payments to shareholders	0.0	
3. Other expenses due to division of profits	0.0	
4. Repayment of loans and credits	4 352.0	16 621.0
5. Redemption of debt securities	8 255.0	50 200.0
6. In respect of other financial liabilities	0.0	
7. Finance lease payments	0.0	
8. Interest paid	2 888.0	12 204.0
9. Other financial expenses	0.0	
III. Net cash flows from financing activities	12 644.0	127 516.0
D. Total net change in cash and cash equivalents	7 204.0	-1 897.0
E. Balance sheet change in cash and cash equivalents, incl.:	7 204.0	-1 897.0

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- change in cash and cash equivalents due to  
exchange rate fluctuations

F. Cash and cash equivalents at beginning of period	18 982.0	28 083.0
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G. Cash and cash equivalents at end of period	26 186.0	28 186.0
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- restricted

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## Statement of Changes in Equity

	Share capital	Supplementary capital	Revaluation reserve	Reserves	Other capitals	Retained profit	Net result	Capital attributable to shareholders of the dominant entity	Minority interests	Own equity
As of 01.01.2008	15 950	135 631		29 148		132	12 027	192 888	164	193 052
- adjustments										0
- changes in accounting policy										0
As of 01.01.2007 after adjustments	15 950	135 631	0	29 148	0	132	12 027	192 888	164	193 052
Increase/decrease due to profit distribution incl. dividend										0
Profit distribution										0
Issue of shares										0
Redemption of own shares										0
Net result							4 017			4 017
Issue of shares above par value										0
Revaluation			2 170							2 170
Consolidation adjustment				89						89
Other increases/decreases									-121	-121
Including settlement of purchased shares										0
Total changes	0	0	2 170	89	0	0	4 017	0	-121	6 155
As of 30.06.2008	15 950	135 631	2 170	29 237	0	132	16 044	199 164	43	199 207

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## 2. Abbreviated individual quarterly financial statements for the period from 01 April 2008 to 30 June 2008, prepared in accordance with Polish Financial Reporting Standards

### Selected Individual Financial Data

	in thousand PLN		in thousand EUR	
	6 quarter accrued / period from 01.01.2007 to 30.06.2008	6 quarter accrued / period from 01.01.2005 to 30.06.2006	6 quarter accrued / period from 01.01.2007 to 30.06.2008	6 quarter accrued / period from 01.01.2005 to 30.06.2006
I. Net sales of products, goods and materials	2 259 336	1 482 533	622 888	374 216
II. Operating profit (loss)	22 384	16 135	6 171	4 073
III. Gross profit (loss)	11 199	11 113	3 088	2 805
IV. Net profit (loss)	8 615	8 242	2 375	2 080
V. Net cash flows from operating activities	-37 126	-11 954	-10 235	-3 017
VI. Net cash flows from investing activities	-120 347	-15 014	-33 179	-3 790
VII. Net cash flows from financing activities	146 605	33 728	40 418	8 514
VIII. Total net cash flows	-10 868	6 760	-2 996	1 706
IX. Total assets	467 307	235 580	139 320	58 263
X. Liabilities and provisions	277 993	184 096	82 879	45 530
XI. Long-term liabilities	16 291	12 527	4 857	3 098
XII. Short-term liabilities	261 578	171 569	77 985	42 432
XIII. Equity	189 314	51 484	56 441	12 733
XIV. Share capital	15 950	10 100	4 755	2 498
XV. Number of shares	15 950 002	10 100 002	15 950 002	10 100 002
XVI. Profit (loss) per ordinary share (PLN/EUR)	0.54	0.82	0.15	0.21
XVII. Book value per share (PLN/EUR)	11.87	5.10	3.54	1.26
Diluted book value per share				
Declared or distributed dividend per share				

NBP average exchange rate as at 30.06.2008	3.3542 PLN/EUR
NBP average exchange rate as at 30.06.2006	4.0434 PLN/EUR
Average exchange rate for the period 01.01.2007 – 30.06.2008	3.6272 PLN/EUR
Average exchange rate for the period 01.01.2005 – 30.06.2006	3.9617 PLN/EUR

## Individual Financial Statements – Balance Sheet – Assets

ASSETS	As of the balance sheet date			
	30.06.2008	31.03.2008	31.12.2006	30.06.2006
<b>I. Non-current assets</b>	<b>146 356.0</b>	<b>141 723.0</b>	<b>28 117.0</b>	<b>23 102.0</b>
1. Intangible assets	182.0	219.0	13.0	0.0
- Goodwill				
2. Fixed assets	40 599.0	35 936.0	27 312.0	22 297.0
3. Long-term receivables	0.0	0.0		
3.1 from affiliates				
3.2 from other entities				
4. Long-term investments	105 301.0	105 271.0	626.0	537.0
4.1 Real estate	452.0	452.0		
4.2 Intangible assets				
4.3 Long-term financial assets	104 849.0	104 819.0	626.0	537.0
a) in affiliates, incl.	104 849.0	104 819.0	174.0	85.0
- shares	104 849.0	104 819.0	174.0	85.0
b) in other entities			452.0	452.0
4.4 Other long-term investments	0.0	0.0	0.0	0.0
5. Long-term prepayments	274.0	297.0	166.0	268.0
5.1 Deferred tax assets	274.0	297.0	166.0	268.0
5.2 Other prepayments				
<b>II. Current assets</b>	<b>320 951.0</b>	<b>348 877.0</b>	<b>327 764.0</b>	<b>212 478.0</b>
1. Inventories	162 392.0	170 693.0	114 059.0	87 238.0
2. Short-term receivables	145 222.0	162 123.0	190 004.0	105 129.0
2.1 from affiliates	5 971.0	6 613.0	2 242.0	1 878.0
2.2 from other entities	139 251.0	155 510.0	187 762.0	103 251.0
3. Short-term investments	11 793.0	14 673.0	22 825.0	19 516.0
3.1 Short-term financial assets	11 793.0	14 673.0	22 825.0	19 516.0
a) in affiliates				
b) in other entities	5.0	5.0	169.0	107.0
c) cash and cash equivalents	11 788.0	14 668.0	22 656.0	19 409.0
3.2 Other short-term investments				
4. Short-term prepayments	1 544.0	1 388.0	876.0	595.0
<b>TOTAL ASSETS</b>	<b>467 307.0</b>	<b>490 600.0</b>	<b>355 881.0</b>	<b>235 580.0</b>

## Individual Financial Statements – Balance Sheet – Liabilities

LIABILITIES	30.06.2008	31.03.2008	31.12.2006	30.06.2006
<b>I. Equity</b>	<b>189 314.0</b>	<b>189 286.0</b>	<b>75 896.0</b>	<b>51 484.0</b>
1. Share capital	15 950.0	15 950.0	11 700.0	10 100.0
2. Unpaid share capital (negative value)				
3. Treasury shares (negative value)				
4. Supplementary capital	135 610.0	135 610.0	35 057.0	19 672.0
5. Revaluation reserve				
6. Other reserves	29 139.0	29 139.0	19 503.0	19 503.0
7. Retained profit (loss)	0.0			
8. Current year profit (loss)	8 615.0	8 587.0	9 636.0	2 209.0
9. Deductions from current year profit (loss) (negative value)				
<b>II. Liabilities and provisions</b>	<b>277 993.0</b>	<b>301 314.0</b>	<b>279 985.0</b>	<b>184 096.0</b>
1. Provisions	0.0	0.0	0.0	0.0
1.1 Deferred income tax provision				
1.2 Provision for pensions and similar obligations	0.0	0.0	0.0	0.0
a) long-term				
b) short-term				
1.3 Other provisions	0.0	0.0	0.0	0.0
a) long-term				
b) short-term				
2. Long-term liabilities	16 291.0	21 546.0	9 109.0	12 527.0
2.1 to affiliates				
2.2 to other entities	16 291.0	21 546.0	9 109.0	12 527.0
3. Short-term liabilities	261 578.0	279 768.0	270 876.0	171 569.0
3.1 to affiliates	288.0	3 337.0	115.0	
3.2 to other entities	261 105.0	376 431.0	270 717.0	171 437.0
3.3 Special funds	185.0	0.0	44.0	132.0
4. Accruals	124.0	0.0	0.0	0.0
4.1 Negative goodwill				
4.2 Other accruals	124.0	0.0	0.0	0.0
a) long-term				
b) short-term	124.0			
<b>TOTAL LIABILITIES</b>	<b>467 307.0</b>	<b>490 600.0</b>	<b>355 881.0</b>	<b>235 580.0</b>
Book value	189 314	189 286	75 896.0	51 484.0
Number of shares	15 950 002	15 950 002	11 700 002	10 100 002
Book value per share (in PLN)	11.87	11.87	6.49	5.10
Diluted number of shares				
Diluted book value per share (in PLN)				

## Off-Balance Sheet Items

	As of the balance sheet date			
	30.06.2008	31.03.2008	31.12.2006	30.06.2006
<b>1. Contingent receivables</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
1.1 from affiliates (in respect of)	0.0	0.0	0.0	0.0
- guarantees received				
1.2 from other entities (in respect of)	0.0	0.0	0.0	0.0
- guarantees received				
<b>2. Contingent liabilities</b>	<b>2 119</b>	<b>4 684.1</b>	<b>6 112.0</b>	<b>7 000.0</b>
2.1 to affiliates (in respect of)	0	0.0	0.0	0.0
- guarantees received				
2.2 to other entities (in respect of)	2 119	4 684.1	6 112.0	7 000.0
- guarantees granted	2 119	4 684.1	6 112.0	7 000.0
<b>3. Other (in respect of)</b>	<b>26 559</b>	<b>44 430.5</b>	<b>25 048.0</b>	<b>81 960.0</b>
3.1 interest	0		0.0	0.0
3.2 factoring	26 559	44 430.5	25 048.0	0.0
3.3 other		0.0	0.0	81 960.0
<b>Total off-balance sheet items</b>	<b>28 678.4</b>	<b>49 114.5</b>	<b>31 160.0</b>	<b>81 960.0</b>

## Individual Financial Statements – Income Statement \*

INCOME STATEMENT	01.04.2008 – 30.06.2008	01.01.2007 – 30.06.2008	01.04.2006 – 30.06.2006	01.01.2005 – 30.06.2006
Net sales of products, goods and materials, incl.:	321 735.0	2 259 336.0	233 489.00	1 482 533.0
- from affiliates	9 412.0	39 472.3	0.00	8 345.0
Net sales of products	4 933.0	16 367.00	1 026.00	6 286.0
Net sales of goods and materials	316 802.0	2 242 969.00	232 463.00	1 476 247.0
Costs of products, goods and materials sold, incl.:	306 666.0	2 163 232.0	213 915.00	1 417 344.0
- to affiliates	10 302.00		0.00	0.0
Manufacturing costs of products sold	3 389.0	14 823.00	1 026.00	6 286.0
Value of goods and materials sold	303 277.0	2 148 409.99	212 889.00	1 411 058.0
Gross profit (loss) on sales (I-II)	15 069.0	96 104.0	19 574.0	65 189.0
Selling costs	7 007.0	44 983.00	6 540.00	32 873.0
Administrative expenses	1 393.0	10 891.00	1 376.00	5 987.0
Profit (loss) on sales (III-IV-V)	6 669.0	40 230.0	11 658.0	26 329.0
Other operating revenues	474.0	1 490.0	240.00	1 499.0
Other operating costs	5 302.0	19 336.0	1 759.00	11 693.0
Profit (loss) before interest, extraordinary items and tax (VI+VII-VIII)	1 841.0	22 384.0	10 139.0	16 135.0
Financial revenues	1 199.0	4 166.0	157.0	1 087.0
Financial costs	2 944.0	15 351.0	1 751.0	6 109.0
Profit (loss) before extraordinary items and tax (IX+X-XI)	96.0	11 199.0	8 545.0	11 113.0
Result of extraordinary items (XIII.1 – XIII.2)	0.0	0.0	0.0	0.0
Extraordinary gains				
Extraordinary losses				
Profit (loss) before tax (XII+/-XIII)	96.0	11 199.0	8 545.0	11 113.0
Income tax	68.0	2 584.0	900.0	2 871.0
current portion	44.0	2 691.0	1 029.0	3 146.0
deferred portion	24.0	-107.0	-129.0	-275.0
Other obligatory charges on profit (increases of loss)				0.0
Share in profits (losses) of subordinated entities				0.0
Profit (loss) after tax (XIV-XV-XVI+/-XVII)	28.0	8 615.0	7 645.0	8 242.0

\* Due to the change of the financial year (the current financial year covers the period from 01 January 2007 to 30 June 2008) the data increasingly comprise 6 subsequent quarters. In order to ensure comparability of historical data, the Issuer presented the compound data for the financial year 2005 and the first half-year of 2006.

## Individual Financial Statements – Cash Flow Statement

	01.04.2008 – 30.06.2008	01.01.2007 – 30.06.2008	01.04.2006 – 30.06.2006	01.01.2005 – 30.06.2006
<b>A. Cash flows from operating activities</b>				
I. Net profit	28.0	8 615.0	7 645.0	8 242.0
II. Total adjustments:	-15 335.0	-45 741.0	-9 304.0	-20 196.0
1. Share in profits (losses) of subordinated entities				
2. Depreciation	541.0	2 223.0	361.0	1 592.0
3. Foreign exchange gains / losses	-1 082.0	284.0	474.0	
4. Interest and share in profits (dividends)	2 077.0	9 736.0	667.0	3 959.0
5. Profit / loss on investing activities	46.0	91.0	0.0	-3.0
6. Change in provisions				-7.0
7. Change in inventories	8 304.0	-48 330.0	-8 749.0	-26 394.0
8. Change in receivables	16 901.0	44 782.0	6 105.0	9 513.0
9. Change in short-term liabilities, excl. loans and credits	-511.0	-53 627.0	-7 776.0	-8 252.0
10. Change in prepayments and accruals		-900.0	-386.0	-604.0
11. Other adjustments				
<b>III. Net cash flows from operating activities</b>	<b>-15 307.0</b>	<b>-37 126.0</b>	<b>-1 659.0</b>	<b>-11 954.0</b>
<b>B. Cash flows from investing activities</b>				
I. Proceeds	74.0	269.0	0.0	41.0
1. Sale of intangible and tangible fixed assets	74.0	183.0	0.0	11.0
2. Sale of investments in real estate and intangible assets				
3. From financial assets, incl.:	0.0	86.0	0.0	30.0
a) in affiliates	0.0	0.0	0.0	0.0
- sale of financial assets				
- dividends and share in profits				
- repayment of long-term loans granted				
- interest received				
- other proceeds from financial assets				
- dividends and share in profits				
- repayment of long-term loans granted				
- interest received				
- other proceeds from financial assets				
b) in other entities	0.0	86.0	0.0	30.0
- sale of financial assets				
- dividends and share in profits				
- repayment of long-term loans granted				
- interest received				
- other proceeds from financial assets	9.0	86.0	0.0	30.0
4. Other investment proceeds				
II. Expenses	5 454.0	120 616.0	1 827.0	15 055.0
1. Purchase of intangible and tangible fixed assets	5 424.0	15 891.0	1 345.0	14 573.0
2. Purchase of investments in real estate and intangible assets	0.0	0.0	452.0	452.0
3. For financial assets, incl.:	30.0	104 725.0	0.0	0.0
a) in affiliates	30.0	104 675.0	0.0	0.0
- purchase of financial assets	30.0	104 675.0		
- long-term loans granted				
b) in other entities	0.0	50.0	0.0	0.0
- purchase of financial assets				
- long-term loans granted		50.0		
4. Other investment expenses	0.0	0.0	30.0	30.0
<b>III. Net cash flows from investing activities</b>	<b>-5 380.0</b>	<b>-120 347.0</b>	<b>-1 827.0</b>	<b>-15 014.0</b>

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C. Cash flows from financing activities				
I. Proceeds	28 139.0	206 541.0	9 728.0	38 478.0
1. Net proceeds from issue of shares and other capital instruments		105 111.0		
2. Loans and credits	15 228.0	41 710.0	9 453.0	37 692.0
3. Issue of debt securities	12 911.0	59 720.0		
4. Other financial proceeds	0.0	0.0	275.0	786.0
II. Expenses	10 332.0	59 936.0	941.0	4 750.0
1. Purchase of treasury shares				
2. Dividends and other payments to shareholders				
3. Other expenses due to division of profits				
4. Repayment of loans and credits	0.0	0.0		
5. Redemption of debt securities	8 255.0	50 200.0		
6. In respect of other financial liabilities				
7. Finance lease payments				
8. Interest paid	2 077.0	9 736.0	906.0	4 709.0
9. Other financial expenses			35.0	41.0
<b>III. Net cash flows from financing activities</b>	<b>-17 807.0</b>	<b>146 605.0</b>	<b>8 787.0</b>	<b>33 728.0</b>
D. Total net change in cash and cash equivalents	-2 880.0	-10 868.0	5 301.0	6 760.0
E. Balance sheet change in cash and cash equivalents, incl.:	-2 880.0	-10 868.0	5 301.0	6 760.0
- change in cash and cash equivalents due to exchange rate fluctuations				
F. Cash and cash equivalents at beginning of period	14 668.0	22 656.0	14 108.0	12 649.0
G. Cash and cash equivalents at end of period	11 788.0	11 788.0	19 409.0	19 409.0
- restricted	158.0	158.0	116.0	116.0

### Individual Financial Statements – Statement of Changes in Equity

	01.04.2008 – 30.06.2008	01.01.2007 – 30.06.2008	01.04.2006 – 30.06.2006	01.01.2005 – 30.06.2006
I. Own equity at beginning of period (OB)	189 286.0	75 896.0	43 839.0	43 242.0
a) adjustments due to changes in accounting principles (policy)				
b) adjustments due to fundamental errors				
<b>I.a Adjusted equity at beginning of period</b>	<b>189 286.0</b>	<b>75 896.0</b>	<b>43 839.0</b>	<b>43 242.0</b>
1. Share capital at beginning of period	15 950.0	11 700.0	10 100.0	10 100.0
1.1 Changes in share capital	0.0	4 250.0	0.0	0.0
a) increase (due to)	0.0	4 250.0	0.0	0.0
- issue of shares		4 250.0		
b) decrease (due to)	0.0	0.0	0.0	0.0
- redemption of shares				
<b>1.2 Share capital at end of period</b>	<b>15 950.0</b>	<b>15 950.0</b>	<b>10 100.0</b>	<b>10 100.0</b>
2. Unpaid share capital at beginning of period				
2.1 Changes in unpaid share capital	0.0	0.0	0.0	0.0
a) increase (due to)	0.0	0.0	0.0	0.0
b) decrease (due to)	0.0	0.0	0.0	0.0
<b>2.2 Unpaid share capital at end of period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
3. Treasury shares at beginning of period				
3.1 Changes in treasury shares	0.0	0.0	0.0	0.0
a) increase (due to)	0.0	0.0	0.0	0.0
b) decrease (due to)	0.0	0.0	0.0	0.0
<b>3.2 Treasury shares at end of period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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4. Supplementary capital at beginning of period	135 610.0	35 057.0	19 672.0	19 672.0
4.1 Changes in supplementary capital	0.0	100 553.0	0.0	0.0
a) increase (due to)	0.0	100 553.0	0.0	0.0
- issue of shares above par value		100 553.0		
- profit distribution (statutory)				
- profit distribution in excess of minimum value required by law				
b) decrease (due to)	0.0	0.0	0.0	0.0
- loss coverage				
<b>4.2 Supplementary capital at end of period</b>	<b>135 610.0</b>	<b>135 610.0</b>	<b>19 672.0</b>	<b>19 672.0</b>
5. Revaluation reserve at beginning of period				
5.1 Change in revaluation reserve	0.0	0.0	0.0	0.0
a) increase (due to)	0.0	0.0	0.0	0.0
b) decrease (due to)	0.0	0.0	0.0	0.0
- sale of fixed assets				
<b>5.2 Revaluation reserve at end of period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
6. Other reserves at beginning of period	29 139.0	19 503.0	13 470.0	9 322.0
6.1 Changes in other reserves	0.0	9 636.0	6 033.0	10 181.0
a) increase (due to)	0.0	9 636.0	6 033.0	10 181.0
profit brought forward		9 636.0	6 033.0	10 181.0
b) decrease (due to)	0.0	0.0	0.0	0.0
<b>6.2 Other reserves at end of period</b>	<b>29 139.0</b>	<b>29 139.0</b>	<b>19 503.0</b>	<b>19 503.0</b>
7. Retained profit (loss) at beginning of period	8 587.0	9 636.0	597.0	10 181.0
7.1 Retained profit at beginning of period	8 587.0	9 636.0	597.0	10 181.0
a) adjustments due to changes in accounting principles (policy)				
b) adjustments due to fundamental errors				
7.2 Adjusted retained profit at beginning of period	8 587.0	9 636.0	597.0	10 181.0
a) increase (due to)	0.0	0.0	0.0	0.0
- retained profit distribution				
b) decrease (due to)	0.0	9 636.0	6 033.0	10 181.0
- retained profit distribution	0.0	9 636.0	6 033.0	10 181.0
7.3 Retained profit at end of period	8 587.0	0.0	-5 436.0	0.0
7.4 Retained loss at beginning of period				
a) adjustments due to changes in accounting principles (policy)				
b) adjustments due to fundamental errors				
7.5 Adjusted retained loss at beginning of period	0.0	0.0	0.0	0.0
a) increase (due to)	0.0	0.0	0.0	0.0
- retained loss brought forward				
b) decrease (due to)	0.0	0.0	0.0	0.0
<b>7.6 Retained loss at end of period</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>7.7 Retained profit (loss) at end of period</b>	<b>8 587.0</b>	<b>0.0</b>	<b>-5 436.0</b>	<b>0.0</b>
8. Net profit (loss)	28.0	8 615.0	7 645.0	2 209.0
a) net profit	28.0	8 615.0	0.0	
b) net loss			5 436.0	2 209.0
c) profit write-offs				
<b>II. Own equity at end of period (CB)</b>	<b>189 314.0</b>	<b>189 314.0</b>	<b>51 484.0</b>	<b>51 484.0</b>
<b>III. Own equity after proposed profit distribution (covering of losses)</b>	<b>189 314.0</b>	<b>189 314.0</b>	<b>51 484.0</b>	<b>51 484.0</b>

### 3. Supplementary Information to the Consolidated Quarterly Report for the period from 01 April 2008 to 30 June 2008

#### General information

The consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards. The dominant entity of the group is AB S.A. with its seat in Wrocław at ul. Kościelna 32. The individual financial statements of AB S.A. were prepared in accordance with Polish Financial Reporting Standards. The main field of economic activity of AB S.A. and all its subsidiaries is distribution of IT hardware and electronic equipment.

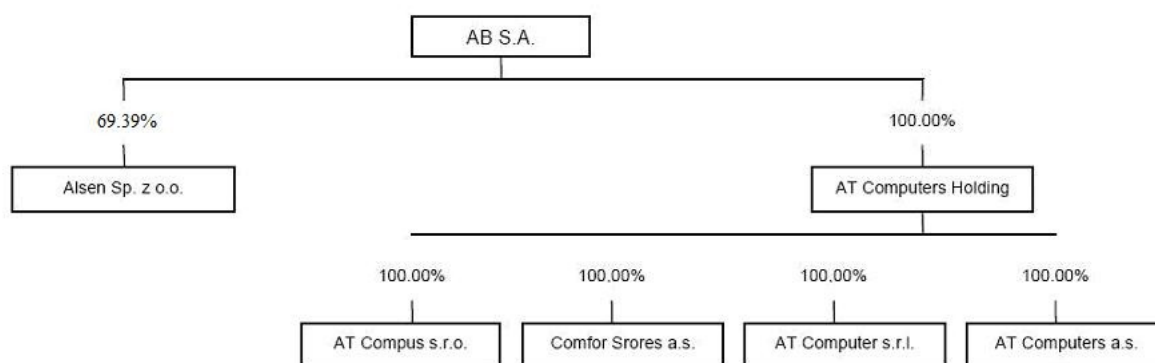
#### Description of the Issuer's capital group

These financial statements are the **third** consolidated statements published by the Company. Its publication results from the purchasing by AB S.A. on 19 September 2007 of 100% of shares of the Company AT Computers Holding a.s., which in turn holds 100% of shares of the following Companies:

- AT Computers a.s.
- AT Compus s.r.o
- Comfor Stores a.s.
- AT Computer s.r.l.

Due to the fulfillment of conditions precedent stipulated in the agreement, on 30 October 2007 AB S.A., being the dominant entity, obtained control rights with relation to the abovementioned companies. Moreover, the consolidation also covered the Company Alsen Sp. z o.o. – a subsidiary of AB S.A. which holds 69.39% of its shares as of the balance sheet date. At the same the Issuer is authorized to appoint 2 out of 3 members of the supervisory body of the Company.

*The structure of the capital group of AB S.A.*



Due to changes in accounting principles, the financial year for AB S.A. began on 01 January 2007 and ended on 30 June 2008. The financial year of all subsidiary companies began on 01 January 2008 and will end on 31 December 2008. Such a difference does not diminish the value of the consolidated financial statements in any way – all individual statements, which constituted their basis, were prepared as of the same balance sheet date and cover the same period (in the case of Czech and Slovak companies the consolidation covered the period after AB S.A. gained control over them, i.e. after 30 October 2007).

## Segments reporting

The group presents its financial data in the structure of geographical segments.

	Period from 01.01.2008 to 30.06.2008		
	Poland	Czech Republic	Slovakia
Segment's revenues from external sales	729 700	388 816	57 476
Revenues from sales between segments	7 427	73 759	387
Operating costs of external sales	723 330	383 854	56 666
Costs of sales between segments	7 475	73 191	878
Segment's result	6 323	5 531	320

	Period from 01.01.2007 to 30.06.2008		
	Poland	Czech Republic	Slovakia
Segment's revenues from external sales	2 250 705	639 875	90 689
Revenues from sales between segments	9 806	115 989	729
Operating costs of external sales	2 226 967	624 308	89 570
Costs of sales between segments	9 919	114 804	1 052
Segment's result	23 625	16 753	795

### Description of the Issuer's key achievements or failures in the reporting period, including the major underlying events.

On 3 April 2008 the company entered into a new distribution agreement with Toshiba. The status of distributor will improve the competitiveness of AB in the market of mobile solutions and strengthen the Company's position of the largest IT distributor in Central and Eastern Europe region. It is estimated that due to AB's broadening of its offer of products of one of the most popular notebook manufacturers in Poland, the Company's participation in this market segment will increase by approx. 4-5%. Signing of the agreement is a part of the Company's product offer unification plan after the takeover of the Czech holding ATC. The agreement covers the sale of Toshiba notebooks and computer accessories in the territory of Poland.

Another important event for the Company in the reporting period was Mr Dariusz Rochman's resignation as a member of the Management Board and Operational Director on 6 June 2008. His tasks were entrusted to Mr Zbigniew Mądry who had been hitherto responsible for purchasing, selling and marketing.

In the second quarter of 2008 AB SA increased its capital involvement in the subsidiary company – Alsen Sp. z o.o. At the moment the Company holds 408 shares with the total value of PLN 204 000, which constitutes 69.39% of shares of Alsen Sp z o.o. Before the change the Company held 348 shares which constituted 59.18% of the total number of shares of Alsen Sp. z o.o.

### Description of extraordinary factors or events of material impact on financial results.

No extraordinary factors or events of material impact on financial results were observed in the second quarter of the year 2008.

### Explanations relating to seasonal or cyclical operations performed by the Issuer in the reporting period.

Seasonal fluctuations of respective figures making up the financial result in the reporting period reflect the same market trends as in the previous years.

### Information relating to redemption, issue or repayment of debt and capital securities.

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In the second quarter of the year 2008, due to continuation of the bonds issue programme, AB S.A. conducted sixteen issuances of bonds.

The bonds were issued in the following instalments:

- 04 April 2008, 152 bonds with the maturity date on 29 May 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 896.43
- 10 April 2008, 50 bonds with the maturity date on 12 June 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 877.10
- 11 April 2008, 50 bonds with the maturity date on 12 June 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 879.03
- 17 April 2008, 30 bonds with the maturity date on 19 June 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 877.27
- 08 May 2008, 40 bonds with the maturity date on 24 July 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 844.00
- 20 May 2008, 40 bonds with the maturity date on 03 July 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 915.17
- 20 May 2008, 27 bonds with the maturity date on 07 August 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 839.57
- 29 May 2008, 153 bonds with the maturity date on 01 July 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 936.24
- 02 June 2008, 20 bonds with the maturity date on 21 August 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 836.50
- 03 June 2008, 21 bonds with the maturity date on 21 August 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 837.87
- 05 June 2008, 250 bonds with the maturity date on 04 September 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 813.21
- 12 June 2008, 50 bonds with the maturity date on 31 July 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 901.35
- 17 June 2008, 60 bonds with the maturity date on 07 August 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 897.36
- 17 June 2008, 75 bonds with the maturity date on 11 September 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 824.45
- 24 June 2008, 150 bonds with the maturity date on 21 August 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 883.28
- 27 June 2008, 66 bonds with the maturity date on 28 August 2008, with the nominal value of PLN 10 000 and the (minimal) issue value of PLN 9 874.83

The holders of issued bonds with the maturity dates falling within the reporting period were repaid on time.

Moreover, in the second quarter of 2008 the Company redeemed hitherto issued series of bonds:

- 10 April – 300 bonds
- 06 March – 250 bonds

#### **Information relating to the dividend declared or paid.**

No such events were observed in the reporting period.

#### **Indication of events after the date of preparing the abbreviated quarterly financial statement, not included therein and having potential material impact on future financial results of the Issuer.**

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On 1 July 2008 AB S.A. entered into an agreement with the concern EPSON. Pursuant to the agreement, the Company will distribute a total of over 150 models of devices and a few hundred options of accessories, inks and toners of the Japanese manufacturer. It is estimated that the annual turnover may run as high as EUR 2 million.

On 5 August 2008 the Company signed a distribution agreement with Xerox Limited with its registered office in Uxbridge, Great Britain, which, considering the partner's position in the market of office devices, such as printers, multifunction devices and dedicated consumption materials, should enable the Company to strengthen its participation in this market segment.

### **Information relating to changes in contingent liabilities or assets following the closure of the previous financial year.**

Within the Company's contingent liabilities one can differentiate the following:

- bank guarantees offered by the Company to its suppliers,
- bank loan securities offered by ATC Holding a. s. with respect to loans borrowed by companies of the holding as well as bank guarantees in the total amount of PLN 150 936 thousand,
- factoring transactions in progress as of the date of the statement amounting to PLN 26 559 thousand.

In the second quarter of the year 2008 the following changes in contingent liabilities of the Group took place:

The value of bank guarantees given by AB S.A. to the distributor decreased in the original currency by USD 1 100 000 in comparison with the previous quarter. The value of the sureties of credits taken by the companies of the holding as well as the value of issued bank guarantees slightly increased by PLN 587 thousand. The amount of contingent liabilities in respect of factoring transactions decreased by PLN 17 872 thousand in comparison with 31 March 2008.

As of the balance sheet date:

	30.06.2008	31.03.2008
<b>1. Contingent receivables</b>	<b>0.0</b>	<b>0.0</b>
1.1 from affiliates (in respect of)		
- guarantees received		
1.2 from other entities (in respect of)	0.0	0.0
- guarantees received		
<b>2. Contingent liabilities</b>	<b>153 055.4</b>	<b>155 042.5</b>
2.1 to affiliates (in respect of)		
- guarantees		
2.2 to other entities (in respect of)	153 055.4	155 042.5
- guarantees	153 055.4	155 042.5
<b>3. Other (in respect of)</b>	<b>26 559.0</b>	<b>44 430.5</b>
3.1 interest		
3.2 factoring	26 559.0	44 430.5
<b>Total off-balance sheet items</b>	<b>179 614.4</b>	<b>199 473.0</b>

### **Indication of changes in the structure of business entity, including changes resulting from merger of business entities, or else the acquisition or sale of the capital group entities, long-term investments, division, restructuring or discontinuance of operations.**

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On 8 May the Company increased its capital involvement in Alsen Sp. z o.o. by another 60 shares. As of the date of the publication of the report, AB S.A. is the holder of 408 shares with the total value of PLN 204 000, which constitutes 69.39% of shares of Alsen Sp z o.o. Before the change the Company held 348 shares which constituted 59.18% of the total number of shares of Alsen Sp. z o.o.

**Position of the Management Board regarding generation of results forecast for a given year against the present results disclosed in the quarterly report and the forecast figures.**

The Issuer did not publish any financial projections for the current year.

**Indication of shareholders having the right to cast, directly or indirectly through their subsidiaries, at least 5% of total votes at General Shareholders Meetings as of the date of this quarterly report, including the number of shares thereby held, their percentage share in total votes cast at General Shareholders Meetings, along with information on changes in the structure of controlling shareholders of the Issuer since the previous quarterly report.**

According to the Issuer, the shareholding structure as of 30.06.2008 is as follows:

	number of shares	% of shares	number of votes	% of votes
Total	15 950 002	100.00%	17 263 002	100.00%
Andrzej Przybyło	1 316 200	8.25%	2 629 200	15.23%
Iwona Przybyło	3 944 052	24.73%	3 944 052	22.85%
Pioneer Pekao Investment Management S.A.	1 708 378	10.71%	1 708 378	9.90%
PKO TFI S.A.	1 786 526	11.20%	1 786 526	10.35%
Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	1 278 590	8.02%	1 278 590	7.41%
Others	5 916 256	37.09%	5 916 256	34.27%

According to the Issuer, the shareholding structure as of the date of publication of this report is as follows:

	number of shares	% of shares	number of votes	% of votes
Total	15 950 002	100.00%	17 263 002	100.00%
Andrzej Przybyło	1 316 200	8.25%	2 629 200	15.23%
Iwona Przybyło	3 944 052	24.73%	3 944 052	22.85%
Commercial Union Otwarty Fundusz Emerytalny BPH CU WBK	1 200 000	7.52%	1 200 000	6.95%
PKO TFI S.A.	1 726 210		1 726 210	10.00%
Others	7 763 540		7 763 540	44.97%

**Holding of AB S.A. shares or options by members of its management or supervisory bodies as of the date of this quarterly report as well as changes thereof since the previous quarterly report.**

As of the balance sheet date of this report, the only person to manage and hold shares of the Issuer is the President of its Management Board, i.e. Mr Andrzej Przybyło. He held 8.25% of shares and was entitled to 15.23% of total vote at the General Meeting. The person to supervise and at the same time hold shares of the Issuer is Mrs Iwona Przybyło. She holds 24.73% of shares and 22.85% of total vote at the General Meeting.

Between the balance sheet date and the date of publication of this report no transactions took place which would change the number of shares of AB S.A. by the management and supervisory bodies.

**Indication of proceedings in court, before arbitration body or competent administrative authority**

As of the balance sheet date no proceedings are pending against the Company which might have a negative impact on its financial results.

**Information on entering by the Issuer or any of its subsidiaries into one or more transactions with its affiliates, provided that the value of such transactions (total value of all transactions effected since the beginning of financial year) exceeds the PLN equivalent of EUR 500,000 and they are not standard or routine transactions concluded by affiliates under market terms and conditions or they result from the normal course of business of the Issuer or its subsidiary.**

In the reporting period, the Issuer did not enter with its affiliates into any transactions exceeding the normal course of its operating activities.

The sale of goods and materials to:

- Alsen Sp. z o.o. generated proceeds of PLN 4 892 thousand in the second quarter of the year 2008,
- AT Computers a.s. generated proceeds of PLN 4 519 thousand in the second quarter of the year 2008.

**Information on granting by the Entity or any of its subsidiaries, of a credit or loan surety or guarantee to any single entity or its subsidiary, should the total of valid sureties of guarantees account for at least 10% of the Issuer's equity.**

No such events were observed in the reporting period.

**Other information which in the opinion of the Issuer is important for assessment of its personnel, property and financial position or financial result, along with information important for assessment of the Issuer's potential to fulfill its obligations.**

The financial statements are inclusive of information which is important for assessment of the Company's personnel, property and financial position or financial result, as well as information important for assessment of the Company's potential to fulfill its obligations.

In the opinion of the Management Board, there is no risk of non-fulfillment by the Company of its obligations.

No other information important for assessment of the Company's position is available.

**Factors which the Company expects to impact its performance in the following quarter and beyond:**

The Issuer expects that its performance in the next months will be mostly influenced by:

- continuation of the consolidation process of organizational structures and trade offers of the companies composing the capital group,
- implementation of solutions resulting from the status of the Strategic Distribution Partner for HP
- maintaining the rapid growth of the national market for IT products, functional electronics and mobile communications
- increasing the Company's share in the market by way of entering into new distribution contracts with leading producers of modern IT solutions
- new methods and distribution channels, in particular the franchise network of retail stores
- maintaining an effective cost discipline and a consequent search for solutions optimising distribution processes

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PL46 1500 1155 1211 5003 5196 0000 (EUR), PL58 1500 1155 1211 5003 2456 0000 (USD). Tax Id. No. 895-16-28-481



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