

**TELL S.A. GROUP**

**ABBREVIATED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 01 JANUARY 2013 TO 30 JUNE 2013**

**POZNAŃ, 14 AUGUST 2013**



Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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## CONSOLIDATED BALANCE SHEET

ASSETS	30/06/2013	30/06/2012	31/12/2012
<b>Fixed assets</b>			
Goodwill	57,581	57,581	57,581
Intangible Fixed Assets	875	442	957
Tangible Fixed Assets	3,713	4,548	4,133
Investment properties			
Interests in subsidiaries	1,287	1,287	1,287
Interests in associates			
Receivables and loans	941	1,272	1,001
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	170	240	235
Deferred income tax assets	1,217	973	999
<b>Fixed assets</b>	<b>65,784</b>	<b>66,341</b>	<b>66,193</b>
<b>Current assets</b>			
Inventories	8,518	10,635	10,744
Receivables from building services contracts			
Trade receivables and other receivables	38,846	47,655	47,757
Current tax assets	59	134	258
Loans	7	19	268
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	527	552	377
Cash and cash equivalents	1,175	18,359	9,352
Fixed assets classified as held for trading			
<b>Current assets</b>	<b>49,132</b>	<b>77,353</b>	<b>68,757</b>
<b>Total assets</b>	<b>114,916</b>	<b>143,694</b>	<b>134,950</b>

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## CONSOLIDATED BALANCE SHEET (CONT.'D)

EQUITY AND LIABILITIES	30/06/2013	30/06/2012	31/12/2012
<b>Shareholder's equity</b>			
<i>Equity - share of the shareholders of the parent company:</i>			
Share capital	1,136	1,262	1,136
Treasury shares (-)	-7,941		
- Share premium	24,863	24,863	24,863
Other Capitals	9,286	9,902	9,286
Retained profits:			
- retained profit (loss)	24,921	21,629	15,605
- net profit (loss) - share of the parent company shareholders	3,496	3,846	9,316
Equity - share of the shareholders of the parent company	55,761	63,578	60,206
Non-controlling shares			
<b>Shareholder's equity</b>	<b>55,761</b>	<b>63,578</b>	<b>60,206</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans, credits, other debt instruments	1,058	3,930	2,339
Financial lease			
Financial derivatives			
Other liabilities			
Deferred income tax liabilities	6,984	6,407	6,720
Employee benefits liabilities	74	33	74
Other long-term provisions			
Long-term prepayments			
<b>Long-term liabilities</b>	<b>8,115</b>	<b>10,370</b>	<b>9,133</b>
<b>Short-term liabilities</b>			
Trade liabilities and other liabilities	41,043	64,211	57,747
Current tax liabilities	559	298	1,232
Loans, credits, other debt instruments	6,634	2,946	3,373
Financial lease			
Financial derivatives			
Employee benefits liabilities	2,659	2,281	3,163
Other short-term provisions	144	11	96
Short-term prepayments			
Liabilities related to fixed assets held for trading			
<b>Short-term liabilities</b>	<b>51,039</b>	<b>69,746</b>	<b>65,611</b>
<b>Total provisions</b>	<b>59,155</b>	<b>80,116</b>	<b>74,744</b>
<b>Total equity and liabilities</b>	<b>114,916</b>	<b>143,694</b>	<b>134,950</b>

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## CONSOLIDATED INCOME STATEMENT

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
<b>Continued activities</b>			
<b>Sale revenues</b>	<b>133,874</b>	<b>139,159</b>	<b>293,165</b>
Revenues from the sale of products			
Revenue from the sale of services	79,351	82,242	171,230
Revenue from the sale of goods and materials	54,523	56,916	121,935
<b>Sale costs</b>	<b>104,829</b>	<b>108,722</b>	<b>229,582</b>
Costs of products sold			
Costs of services sold	50,859	52,720	110,641
Cost of goods and materials sold	53,970	56,002	118,941
<b>Gross profit (loss) on sales</b>	<b>29,046</b>	<b>30,437</b>	<b>63,582</b>
Sale costs	19,371	20,114	40,177
Administration costs	4,665	4,644	9,345
Other operating income	407	225	510
Other operating expense	665	755	2,029
Profit (loss) on the sale of subsidiaries (+/-)			
<b>Operating profit (loss)</b>	<b>4,751</b>	<b>5,148</b>	<b>12,541</b>
Financial income	110	298	490
Financial costs	402	492	909
Share in the profit (loss) of companies measured using the equity method (+/-)			
<b>Profit (loss) before taxation</b>	<b>4,459</b>	<b>4,954</b>	<b>12,122</b>
Income Tax	963	1,108	2,806
<b>Net profit (loss) on continued activities</b>	<b>3,496</b>	<b>3,846</b>	<b>9,316</b>
<b>Discontinued operations</b>			
Net profit (loss) on discontinued operations			
<b>Net profit (loss)</b>	<b>3,496</b>	<b>3,846</b>	<b>9,316</b>
<b>Net profit (loss) - share of:</b>			
- shareholders of the Parent Company	3,496	3,846	9,316
- non-controlling parties			

## NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
<i>on continued operations</i>			
- basic	0.62	0.61	1.49
- diluted	0.62	0.61	1.49
<i>on continued and discontinued operations</i>			
- basic	0.62	0.61	1.49
- diluted	0.62	0.61	1.49

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### CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
<b>Net profit (loss)</b>	3,496	3,846	9,316
<b>Other comprehensive income</b>			
Revaluation of fixed assets			
Available-for-sale financial assets:			
- income (loss) recognised in the period as other comprehensive income			
- recognised as profit or loss			
Cash flow hedging instruments:			
- income (loss) recognised in the period as other comprehensive income			
- recognised as profit or loss			
- amounts recognised in the initial value of the hedged items			
Exchange differences on the measurement of foreign operations			
Exchange differences recognised as profit or loss – sale of foreign operations			
Share in other comprehensive income of companies measured using the equity method			
Income tax referred to the other comprehensive income			
Other comprehensive income after taxation			
<b>Comprehensive income</b>	3,496	3,846	9,316
<b>Comprehensive income - share of:</b>			
- shareholders of the Parent Company	3,496	3,846	9,316
- non-controlling parties			

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### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	Treasury shares (-)	Share premium	Other capitals	Retained profits		
<b>As at 01/01/2013</b>	<b>1,136</b>		<b>24,863</b>	<b>9,286</b>	<b>24,921</b>	<b>60,206</b>	<b>60,206</b>
Changes in accounting policies							
Adjustment of fundamental errors							
<b>Balance after changes</b>	<b>1,136</b>		<b>24,863</b>	<b>9,286</b>	<b>24,921</b>	<b>60,206</b>	<b>60,206</b>
<b>Changes in equity in the period from 01/01 to 30/06/2013</b>							
Purchase of shares		-7,941				-7,941	-7,941
Issue of shares in relation with the option exercise (share-based payment programme)							
Option measurement (share-based payment programme)							
Changes in the group structure (transactions with non-controlling parties)							
Dividends							
Financial result recognised as equity							
<b>Total transactions with shareholders</b>		<b>-7,941</b>				<b>-7,941</b>	<b>-7,941</b>
Net profit for the period from 01/01 to 30/06/2013					3,496	3,496	3,496
Other comprehensive income after taxation in the period from 01/01 to 30/06/2013							
<b>Total comprehensive income</b>							
Transfer to retained profits (sale of revalued fixed assets)							
<b>As at 30/06/2013</b>	<b>1,136</b>	<b>-7,941</b>	<b>24,863</b>	<b>9,286</b>	<b>28,417</b>	<b>55,761</b>	<b>55,761</b>



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### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Share capital	Treasury shares (-)	Share premium	Other capitals	Retained profits	Total		
<b>As at 01/01/2012</b>	<b>1,262</b>		<b>24,863</b>	<b>9,902</b>	<b>23,705</b>	<b>59,732</b>		<b>59,732</b>
Changes in accounting policies								
Adjustment of fundamental errors								
<b>Balance after changes</b>	<b>1,262</b>		<b>24,863</b>	<b>9,902</b>	<b>23,705</b>	<b>59,732</b>		<b>59,732</b>
<b>Changes in equity in the period from 01/01 to 30/06/2012</b>								
Issue of shares								
Issue of shares in relation with the option exercise (share-based payment programme)								
Option measurement (share-based payment programme)								
Changes in the group structure (transactions with non-controlling parties)								
Dividends								
Financial result recognised as equity								
Total transactions with shareholders								
Net profit for the period from 01/01 to 30/06/2012					3,846	3,846		3,846
Other comprehensive income after taxation in the period from 01/01 to 30/06/2012								
Total comprehensive income					3,846	3,846		3,846
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 30/06/2012</b>	<b>1,262</b>		<b>24,863</b>	<b>9,902</b>	<b>27,550</b>	<b>63,578</b>		<b>63,578</b>

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### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Notes	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
		Share capital	Treasury shares (-)	Share premium	Other capitals	Retained profits		
<b>As at 01/01/2012</b>		<b>1,262</b>		<b>24,863</b>	<b>9,902</b>	<b>23,705</b>	<b>59,732</b>	<b>59,732</b>
Changes in accounting policies								
Adjustment of fundamental errors								
<b>Balance after changes</b>		<b>1,262</b>		<b>24,863</b>	<b>9,902</b>	<b>23,705</b>	<b>59,732</b>	<b>59,732</b>
<b>Changes in equity in the period from 01/01 to 31/12/2012</b>								
Purchase of shares			- 8,842				-8,842	-8,842
Redemption of treasury shares		-126	8,842		-8,716		0	
Issue of shares in relation with the option exercise (share-based payment programme)								
Option measurement (share-based payment programme)								
Changes in the group structure - transactions with non-controlling parties								
Dividends								
Financial result recognised as equity					8,100	-8,100	0	0
Total transactions with shareholders		-126	0		-616	-8,100	-8,842	-8,842
Net profit for the period from 01/01 to 31/12/2012						9,316	9,316	9,316
Other comprehensive income after taxation in the period from 01/01 to 31/12/2012								
Total comprehensive income						9,316	9,316	9,316
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 31/12/2012</b>		<b>1,136</b>	<b>0</b>	<b>24,863</b>	<b>9,286</b>	<b>24,921</b>	<b>60,206</b>	<b>60,206</b>

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## CONSOLIDATED CASH FLOW STATEMENT

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
<b>Cash flow from operating activity</b>			
<b>Profit (loss) before taxation</b>	<b>4,459</b>	<b>4,954</b>	<b>12,122</b>
<b>Adjustments:</b>			
Depreciation of tangible fixed assets	866	846	1,754
Change in the fair value of investment properties			
Change in the fair value of financial assets (liabilities measured at fair value through profit or loss)			
Cash flow hedging instruments transferred from equity			
Impairment loss on financial assets			
Profit (loss) on the sale of non-financial fixed assets	63	151	219
Profit (loss) on the sale of financial assets (other than derivatives)			
Exchange difference gains/losses			
Interest expense	191	429	676
Interest and dividend income	-35	-270	-309
Cost of share-based payments (incentive programmes)			
Share in the profit (loss) of associate companies			
Other adjustments	65		
<b>Total adjustments</b>	<b>1,149</b>	<b>1,156</b>	<b>2,340</b>
Change in inventories	2,226	2,107	1,999
Change in receivables	8,967	5,061	5,230
Change in liabilities	-16,581	-6,372	-12,845
Change in provisions and prepayments	-665	-540	657
Change in building contracts			
<b>Changes in working capital</b>	<b>-6,052</b>	<b>257</b>	<b>- 4,959</b>
Inflows (outflows) from the settlement of derivatives			
Interest paid on operating activities			
Taxes paid	-1,387	-565	- 1,167
<b>Net cash flow from operating activity</b>	<b>-1,830</b>	<b>5,803</b>	<b>8,336</b>

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### CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
<b>Cash flow from investment activity</b>			
Expenses to purchase fixed assets	-533	-591	-1,716
Inflows from the sale of fixed assets	107	149	197
Expenses to purchase investment properties			
Inflows from the sale of investment properties			
Net expenses to purchase subsidiaries			
Net inflows from the sale of subsidiaries			
Received repayments of loans granted	261	15	534
Loans granted		-12	-781
Expenses to purchase other financial assets			
Inflows from the sale of other financial assets			
Inflows from government subsidies received			
Interest income	35	270	311
Dividend income			
<b>Net cash flow from investing activity</b>	<b>-130</b>	<b>-170</b>	<b>-1,455</b>
<b>Cash flow from financial activity</b>			
Net inflows from the issue of shares			
Purchase of treasury shares	-7,941		-8,842
Transactions with non-controlling parties, with no loss of control			
Inflows from debt securities in issue			
Redemption of debt securities			
Inflows from loans and credits contracted	2,976	3,417	3,939
Repayment of loans and advances	-995	-2,275	-3,937
Repayment of financial lease liabilities			
Interest paid	-256	-391	-663
Dividends paid			
<b>Net cash flow from financial activity</b>	<b>-6,216</b>	<b>751</b>	<b>-9,504</b>
<b>Net change in cash and cash equivalents</b>	<b>-8,176</b>	<b>6,384</b>	<b>-2,623</b>
Cash and cash equivalents at period beginning	9,352	11,975	11,975
Exchange differences			
<b>Cash and cash equivalents at period end</b>	<b>1,175</b>	<b>18,359</b>	<b>9,352</b>

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## EXPLANATORY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. General

The parent company of the Tell S.A. Group [hereinafter referred to as the 'Group'] is Tell Spółka Akcyjna, hereinafter referred to as the 'Parent Company'. The Group makes part of another Group, where the ultimate parent company is Impera Capital S.A.

The parent company was established in consequence of a transformation of Tell Sp. z o.o. on the basis of a Resolution of the Extraordinary General Meeting of Shareholders No. 1 of 15 November 2004. The parent company is entered into the register of companies of the National Court Register maintained by the District Court for Poznań-Nowe Miasto i Wilda in Poznań - VIII Commercial Division, under number KRS 0000222514. The Company received the following statistical identification number (REGON): 630822208.

The principal place of business of the parent company is at ul. Forteczna 19a, in Poznań 61-362. The seat of the parent company is also the principal place of business of the Group.

The basic objects of business of the parent company and its subsidiaries are as follows:

- Other telecommunications activities,
- Retail sale of telecommunications equipment,
- Retail sale of computers, peripheral equipment and software in specialised stores,
- Wholesale and retail sale of electronic and telecommunications equipment and parts,
- Wholesale of computers, peripheral equipment and software,
- Other retail sale not in stores, stalls or markets,
- Computer facilities management activities,
- Other business and management consultancy activities.

The abbreviated interim consolidated financial statements comprise the parent company and the following subsidiaries:

Name of subsidiary	Seat	Percentage share of the Group in the share capital:		
		30/06/2013	30/06/2012	31/12/2012
Euro-Phone Sp. z o.o.	Piaseczno	100%	100 %	100 %
PTI Sp. z o.o.	Poznań	100 %	100 %	100 %

### 2. Approval of the financial statements

These abbreviated interim consolidated financial statements were approved for publication by the Management Board of the Parent Company on 14 August 2013.

### 3. Declaration of the Management Board of the Parent Company

Pursuant to the regulation of the Minister of Finance of 19 February 2009 on ongoing and periodical information to be given by issuers of securities, the Management Board of the Parent Company hereby states and declares that, to the best of its knowledge, these consolidated interim financial statements and comparable data have been prepared in accordance with the accounting policies binding on the Group and they present the economic and financial situation of the Company as well as its financial result in a true, reliable and fair manner and that the interim report on the activities of the issuer present a true picture of the development, achievement and situation of the issuer, including a description of basic risks and threats.

The Management Board hereby declares that the entity authorised to audit the financial statements that audited the consolidated interim financial statements has been appointed in accordance with the legal regulations and that this entity as well as the chartered auditors in charge of the audit, meet the requirements allowing them to issue an impartial and independent report on the audit as per the applicable domestic laws and professional standards.

In accordance with the corporate governance rules adopted by the Management Board, the chartered auditor was appointed by the Supervisory Board by virtue of the resolution of 03 June 2013 on the appointment of a chartered auditor. The Supervisory Board made the above appointment so as to guarantee full independence and objectivity of the appointment process as well as the performance of his duties by the chartered auditor.

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#### 4. Chartered auditors

Grant Thornton Frąckowiak Sp. z o.o., Sp.k.  
ul. Abpa A. Baraniaka 88E  
61-131 Poznań

#### 5. Drawing up basis and accounting rules

##### 5.1. Drawing up basis

The consolidated interim financial statements of the Group cover the period of 6 months ended on 30/06/2013 and have been made in accordance with IAS 34 *Interim Financial Reporting*.

In order to ensure a more complete understanding of the economic and financial position of the Group, consolidated balance sheet made as at 31/12/2012, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year 2012 were additionally provided for comparable periods, even though there is no such requirement in IAS 34.

The consolidated interim financial statements does not contain all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These consolidated interim financial statements should be read together with the consolidated financial statements of the Group for the year 2012.

The reporting currency of these abbreviated interim consolidated financial statements is Polish zloty (PLN) and all the amounts are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated).

The consolidated interim financial statements was prepared in accordance with the going concern principle. As at the date of the approval of these abbreviated consolidated financial statements for publication there are no circumstances which may pose a risk to the going concern assumption with regard to the Group companies.

##### 5.2. Accounting policies

In the first half of 2012 there were no changes to the accounting principles (rules) as regards the measurement of assets and equity & liabilities and the measurement of the financial result. These abbreviated consolidated interim financial statements have been prepared in accordance with the accounting principles (rules) applied in the last consolidated financial statements of the Group for the year ended on 31 December 2012.

No amendments to the published standards or interpretations that entered into force on or after 01 January 2013 have had any influence on these interim financial statements.

##### 5.3. Estimation Uncertainty

When preparing these abbreviated interim consolidated financial statements, the Parent Company's Management Board uses its best judgement when making the estimates and assumptions that influence the accounting policies (rules) applied and the presented values of assets, liabilities, revenue and costs. The actually realised values may differ from the estimates made by the Management Board.

Information about the estimates and assumptions that are material for the consolidated financial statements have been presented in the consolidated financial statements for the year 2012.

#### 6. Significant Events and Transactions

In the period covered by these abbreviated interim consolidated financial statements, there occurred no events that were not but should have been recognised in the accounting books of the reporting period. Additionally, these abbreviated consolidated financial statements do not comprise any significant events concerning the previous years.

#### 7. Seasonality of business

The seasonal character of sales of mobile phone services is visible mainly in the growth of sale in the fourth quarter, particularly in December. Sometimes, this natural seasonal character is modified owing to marketing activities of operators, however in the reporting period the Issuer's Management Board did not note any significant diversions from standard pattern.

#### 8. Earnings per share

The basic earnings per share is calculated in accordance with the formula: net profit attributable to the Parent Company's shareholders divided by average weighted number of ordinary shares in the given period.

The calculation of earnings per share has been presented below:

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
<b>Number of shares inserted in the denominator of the formula</b>			
Average weighted number of ordinary shares	5,678,030	6,309,623	6,242,322
Dilution effect of options convertible into shares			
Average weighted diluted number of ordinary shares	5,678,030	6,309,623	6,242,322
<b>Continued activities</b>			
Net profit (loss) on continued activities	3,496	3,846	9,316
Basic profit (loss) per share (PLN)	0.62	0.61	1.49
Diluted profit (loss) per share (PLN)	0.62	0.61	1.49
<b>Discontinued operations</b>			
Net profit (loss) on discontinued operations			
Basic profit (loss) per share (PLN)			
Diluted profit (loss) per share (PLN)			
<b>Continued and discontinued operations</b>			
Net profit (loss)	3,496	3,846	9,316
Basic profit (loss) per share (PLN)	0.62	0.61	1.49
Diluted profit (loss) per share (PLN)	0.62	0.61	1.49

## 9. Operating segments

The Group does not identify operating segments, because all the Tell S.A. Group companies carry out uniform economic activities related to intermediation in the sale of mobile communications services. However, due to formal requirements of particular mobile phone operators, the Group conducts its business through separate subsidiaries.

The Group is not in a position to assign reliably the costs and assets to the below-presented revenue, therefore it was decided to provide information only about the revenue from the sale as broken down into particular service types.

The Group's Management Board manages the Group focusing on the value of margins generated at particular Group levels jointly for all co-operating operators. The information concerning the profitability of particular activity levels are given in the statement of comprehensive income.

The Group conducts its operating activities on a single geographic area, i.e. the territory of Poland.

The Group's largest contractor is still PTK Centertel Sp. z o.o. with registered office in Warsaw. Assuming the revenue from the sale of telecommunications services as the basis, this operator's share in Group's revenue amounted to 59% in 2013. In 2012, the share was at the level of 53%. The share of two remaining operators, i.e. Polkomtel Sp. z o.o. and Polska Telefonia Cyfrowa S.A. in the revenue from the sale of telecommunications services is also significant and exceeds 10% for each of them.

Revenue from the sale of products and goods (in kPLN)	2013 First half	2012 First half	Change First half 2013/ First half 2012
Revenue from the sale of telecommunication services	51,080	55,172	92.58%
Sets and pre-paid refillments	9,770	11,639	83.94%
Postpaid contract phones	68,011	65,704	103.51%
Other revenue	5,013	6,644	75.45%

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Total	133,874	139,159	96.20%
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Service sale volume	2013 First half	2012 First half	Change First half 2013/ First half 2012
Postpaid activations	293,750	302,563	97.09%
Prepaid activations	64,601	65,554	98.55%
Total	358,351	368,117	97.35%

## 10. Goodwill

The table below presents changes in the goodwill in particular reporting periods:

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
<b>Gross value</b>	57,581	57,581	57,581
As at period beginning	57,581	57,581	57,581
Business combinations			
Sale of subsidiaries (-)			
Net exchange differences on conversion			
Other adjustments			
Gross value at period end	57,581	57,581	57,581
<b>Impairment loss</b>			
As at period beginning			
Loss expensed as cost in the period			
Net exchange differences on conversion			
Other changes			
Impairment loss at period end			
<b>Goodwill - carrying amount at period end</b>	57,581	57,581	57,581

## 11. Intangible Fixed Assets

The table below presents the acquisitions and disposals as well as impairment charges concerning intangible assets:

	Software licences	Other	Total
<b>for the period from 01/01 to 30/06/2013</b>			
Net carrying amount as at 01/01/2013	387	571	957
Acquisition by a business combination			
Increase (acquisition, production, lease)	73		73
Decrease (disposal, liquidation) (-)			
Depreciation and amortisation (-)	-86	-70	-156
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 30/06/2013	374	501	875
<b>for the period from 01/01 to 30/06/2012</b>			
Net carrying amount as at 01/01/2012	191	294	485
Acquisition by a business combination			
Increase (acquisition, production, lease)			
Decrease (disposal, liquidation) (-)	37	20	57



Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Depreciation and amortisation (-)	-58	-42	-100
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 30/06/2012	169	272	442
<b>for the period from 01/01 to 31/12/2012</b>			
Net carrying amount as at 01/01/2012	191	294	485
Acquisition by a business combination			
Increase (acquisition, production, lease)	332	390	722
Sale of a subsidiary (-)			
Decrease (disposal, liquidation) (-)		-12	-12
Revaluation to fair value (+/-)			
Depreciation and amortisation (-)	-137	-101	-238
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 31/12/2012	387	571	957

## 12. Tangible Fixed Assets

The table below presents the acquisitions and disposals as well as impairment charges concerning tangible fixed assets:

	Plants and machinery	Vehicles	Other fixed assets	In construction	Total
<b>for the period from 01/01 to 30/06/2013</b>					
Net carrying amount as at 01/01/2013	686	1,388	2,032	26	4,133
Acquisition by a business combination					
Increase (acquisition, production, lease)	237	126	81	42	485
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-5	-84	-77	-25	-191
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-151	-212	-351	0	-714
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2013	767	1,218	1,685	43	3,713
<b>for the period from 01/01 to 30/06/2012</b>					
Net carrying amount as at 01/01/2012	610	1,542	2,882	26	5,059
Acquisition by a business combination					
Increase (acquisition, production, lease)	186	218	82	47	533
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-17	-84	-197		-299
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-102	-233	-411		-746
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2012	677	1,443	2,355	73	4,548

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

<i>for the period from 01/01 to 31/12/2012</i>					
Net carrying amount as at 01/01/2012	610	1,542	2,882	26	5,059
Acquisition by a business combination					
Increase (acquisition, production, lease)	355	405	233	25	1,017
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-29	-100	-274	-24	-427
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-270	-458	-788		-1,516
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2012	686	1,388	2,032	26	4,133

### 13. Fair value of financial instruments

#### *Changes in the fair value of financial assets and liabilities*

The comparison of the carrying amount of the financial assets and liabilities with the fair value of the same is as follows (this comparison comprises all the financial assets and liabilities, irrespective of the fact whether they are carried in the consolidated financial statements at amortised cost or at fair value):

Class of financial instrument	30/06/2013		30/06/2012		31/12/2012	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
<b>Assets:</b>						
Loans	7	7	19	19	268	268
Trade receivables and other	39,787	39,787	47,655	47,655	48,754	48,754
Financial derivatives						
Debt securities						
Listed shares						
Non-listed shares and participations*						
Investment fund units						
Remaining classes of other financial assets						
Cash and cash equivalents	1,175	1,175	18,359	18,359	9,352	9,352
<b>Liabilities:</b>						
Loan facilities	4,004	4,004	6,876	6,876	5,459	5,459
Overdraft facilities	3,688	3,688			522	522
Loans						
Debt securities						
Financial lease						
Financial derivatives						
Trade liabilities and other	38,868	38,868	60,470	60,470	54,299	54,299

\*This item does not comprise shares and participations carried at cost because there is no reliable method to determine their fair value

The method of determination of fair value of financial instruments was presented in the latest annual consolidated financial statements of the Group.

#### *Reclassification of financial assets*

The Group did not make any reclassification of financial assets which would lead to a change in the measurement of these assets carried at fair value, at cost or at amortised cost.

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

#### 14. Impairment charges

Impairment of inventories:

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
As at period beginning	647	614	614
Loss expensed as cost in the period	118		33
Reversal of impairments in the period (-)			
Other changes (net exchange differences on conversion)			
<b>At period end</b>	<b>765</b>	<b>614</b>	<b>647</b>

Impairment of receivables and loans:

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
As at period beginning	4,875	4,245	4,245
Loss expensed as cost in the period	153	472	630
Reversal of impairments carried as revenue in the period (-)	-28		
Provisions used (-)	-1		
Other changes (net exchange differences on conversion)			
<b>At period end</b>	<b>4,999</b>	<b>4,717</b>	<b>4,875</b>

#### 15. Share capital

Detailed information on the issue of the Parent Company's shares is given in the tables below.

Share capital as at the balance sheet day:

	30/06/2013	30/06/2012	31/12/2012
Number of shares	5,678,030	6,309,623	5,678,030
Par value of shares (PLN)	0.20	0.20	0.20
<b>Share capital</b>	<b>1,135,606.00</b>	<b>1,261,924.60</b>	<b>1,135,606.00</b>

#### 16. Purchase of shares

By virtue of Resolution No. 3/2012 of the Ordinary General Meeting of Shareholders of Tell S.A. 29 October 2012, the Company's Management Board was authorised to purchase treasury shares for redemption in accordance with the terms and conditions defined in the said resolution and the terms and conditions defined by the Management Board. The Management Board was authorised to define the remaining principles for the treasury share purchase. This authorisation concerns both ordinary bearer shares and registered shares. The authorization to purchase the shares was granted until 31 March 2013.

In the period from the adoption of the resolution on the purchase of treasury shares for redemption until the day of these financial statements, the Company purchased 567,183 treasury shares at the price of PLN 14 per share. The shares were redeemed in July 2013.

#### 17. Dividend

The Company did not pay dividends to the shareholders for 2012. The General Meeting of Shareholders held on 11 June 2013 adopted Resolution No. 16/2013 concerning the distribution of profit – stating that the resolution concerning the distribution of profit for 2012 would be taken not earlier than on 15 August 2013 and not later than 31 October 2013.

In periods presented as comparable periods, the recognized profit for 2012 was PLN 9,963,311.17.

#### 18. Issue and redemption of debt securities

There has been no issue or redemption of debt securities.

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

## 19. Provisions

The value of provisions recognised in the abbreviated consolidated financial statements and changes thereto in particular periods have been as follows:

	Provisions for long-term employee benefits	Other provisions, including provisions for:				
		Accrued holidays	Costs of remuneration	other expenses	other benefits	total
<b>for the period from 01/01 to 30/06/2013</b>						
As at period beginning	74	963	834	96	0	1,966
Provision increase carried as expense in the period		3	193	144		340
Write-back of provisions recognised as the revenue in the period (-)			-29	-15		-45
Utilisation of provisions (-)			-805	-81		-886
Increase by business combinations						
Other changes (net exchange differences after conversion)						
Provisions as at 30/06/2013	74	966	193	144	0	1,376
<b>for the period from 01/01 to 30/06/2012</b>						
As at period beginning	35	761	342	79	6	1,223
Provision increase carried as expense in the period		69	67	11		146
Write-back of provisions recognised as the revenue in the period (-)	-3		-3	-10	-6	-22
Utilisation of provisions (-)			-339	-69		-408
Increase by business combinations						
Other changes (net exchange differences after conversion)						
Provisions as at 30/06/2012	33	829	67	11	0	939
<b>for the period from 01/01 to 31/12/2012</b>						
As at period beginning	35	761	342	79	6	1,223
Provision increase carried as expense in the period	41	202	834	96		1,173
Write-back of provisions recognised as the revenue in the period (-)	-3		-3	-10	-6	-21
Utilisation of provisions (-)			-339	-69		-408
Increase by business combinations						
Other changes (net exchange differences after conversion)						
Provisions as at 31/12/2012	74	963	834	96	0	1,966

## 20. Contingent Liabilities

The value of contingent liabilities as at the end of particular periods (including provisions concerning related parties) is as follows:

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	30/06/2013	30/06/2012	31/12/2012
<b>To related parties not subject to consolidation:</b>			
Liability payment guarantee			
Guarantees originated			
Guarantees originated in relation with the building services contracts			
Disputed cases and cases in court			
Other Contingent Liabilities			
Total related parties not subject to consolidation			
<b>To associated parties:</b>			
Liability payment guarantee			
Guarantees originated			
Guarantees originated in relation with the building services contracts			
Disputed cases and cases in court			
Other Contingent Liabilities			
Total associates	-	-	-
<b>To other parties:</b>			
Liability payment guarantee	33,425	28,225	33,425
Guarantees originated			
Guarantees originated in relation with the building services contracts			
Disputed cases and cases in court			
Disputed cases and cases in court related to the IRS			
Other Contingent Liabilities			
Total other parties	-	-	-
<b>Total contingent liabilities</b>	<b>33,425</b>	<b>28,225</b>	<b>33,425</b>

## 21. Litigations in Court

Both the Parent Company and the subsidiaries are parties to legal proceedings in courts of law, however none of such proceedings concerns liabilities or receivables whose value constitutes at least 10 % of the equity of the Parent Company. Similarly, the total value of, respectively, liabilities and receivables litigated in court does not constitute at least 10 % of the equity of the issuer.

There are no proceedings with the participation of the Parent Company or its subsidiaries before any arbitration court.

## 22. Transactions with related parties

Transactions between the Group companies that have been eliminated during the consolidation process are presented in separate financial statements of particular companies.

Below are presented transactions with related parties not recognised in the abbreviated consolidated financial statements of the Group:

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	Revenue from operating activities			Receivables		
	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012	30/06/2013	30/06/2012	31/12/2012
<b>Sales to:</b>						
The parent company						
A subsidiary	338	188	550	30	3	28
An associate						
A joint venture						
Key management personnel						
Other related parties						
<b>Total</b>	<b>338</b>	<b>188</b>	<b>550</b>	<b>30</b>	<b>3</b>	<b>28</b>

	30/06/2013		30/06/2012		31/12/2012	
	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance
<b>Loans granted:</b>						
to the parent company						
to a subsidiary	7,680	9,987	3,500	8,482	3,500	7,482
to an associate						
to a joint venture						
to a person from the key management						
to other related parties						
<b>Total</b>	<b>7,680</b>	<b>9,987</b>	<b>3,500</b>	<b>8,482</b>	<b>3,500</b>	<b>7,482</b>

### 23. Events after the Balance Sheet Date

After 30/06/2013, there have been no events which would require recognition in the abbreviated consolidated financial statements for the first 6 months of 2013:

### 24. Other significant changes in assets, liabilities, revenue and costs

In the reporting period, there were no significant changes in assets, liabilities, revenue and costs.

In order to ensure the correct interpretation of the separate and consolidated financial results of the Tell S.A. Group companies, it is necessary to explain different ways of recognition in the books of the Group companies of subsidiaries for the sale of mobile phones by particular operators and the impact of such operations on revenue and costs items. Irrespective of a different way of mobile phone sale settlement by particular operators, the result on such operations is neutral.

#### ORANGE network operator - PTK Centertel Sp. z o.o.

Tell S.A. acquires phones from the Operator at market prices. After the purchase, the Company incurs a liability in an amount equal to the market price of the phone. At the same time, the Company recognised in its assets an inventory stock valued at the phones' market prices. The Company sells such phones in two variants:

- a sale of the phone directly to the client in a sale outlet

In this case, the sale is made at the promotional price (allowing for a subsidy at the level agreed with the Operator). Thus, the Company makes a temporary loss on this particular transaction. However, immediately after the promotional sale, in accordance with the procedures agreed with the Operator in the contract, the Operator issues corrective invoices decreasing the original phone purchase price for the Company to the promotional price (allowing for the subsidy level). Thus, in effect, the transaction has a neutral effect on the Company's financial result.

- sale of the phone to a sub-agent, who then sells it to a client in a sale outlet

In this case, the sale is made at the original Operator's purchase price and then the process is analogous as above, whereby it is the Company that issues a corrective invoice to the sub-agent, adjusting the original selling price.

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

#### **T-Mobile network operator - Polska Telefonia Cyfrowa Sp. z o.o.**

Until the end of June 2011, the revenue and costs related to the sale of mobile phones were registered in promotional prices.

Between 1 July 2011 and March 2013, the Company had in place a system identical to the system of settlements between Tell S.A. and PTK Centertel Sp. z o.o.

This system was changed in March 2013. Currently, the Company receives phones from the Operator as held in trust and has 28 to sell them. If not sold within such period of 28 days, the phones are automatically bought and an invoice is made to the name of Euro-Phone Sp. z o.o. If, consequently, the phone (purchased by the Company after the expiry of the 28 day period) is sold to the client in a selling outlet, the difference between the purchase price and the promotional price is reimbursed on the basis of a correction invoice, i.e. in accordance with the same procedure as before the system change. Transactions with sub-agents are a replication of the operations between the Company and the operator, with a difference that the Company is a party to them and not the Operator.

#### **PLUS network operator - Polkomtel Sp. z o.o.**

PTI Sp. z o.o. acquires phones from the Operator at market prices. After the purchase, the Company incurs a liability in an amount equal to the market price of the phone. At the same time, the Company recognised in its assets an inventory stock valued at the phones' market prices. The Company sells such phones in two variants:

- a sale of the phone directly to the client in a sale outlet

In this case, the sale is made at the promotional price (allowing for a subsidy at the level agreed with the Operator). Thus, the Company makes a loss on this particular transaction. However, immediately after the promotional sale, as agreed with the Operator in the contract, the Operator grants the company a commission in an amount equal to the value of loss incurred at the given transaction. In effect, the transaction has a neutral effect on the Company's financial result, however, it shows a much higher revenue and costs from a similar transaction than other Group companies.

- sale of the phone to a sub-agent, who then sells it to a client in a sale outlet

In this case the sale is made at the original price of purchase from the Operator, but then the process is similar as the one described above, whereby it is the company that sets off the sub-agent's loss on the mobile phone sale transaction to a client by paying an appropriate commission (received earlier from the Operator).

In consequence of such recognition, the phone sale results in relatively high revenue from the sale and high costs of sale when compared to other Group companies.

If all Group companies settled the value of subsidised phones in the same way as Tell S.A, the Group's revenue would amount to in the first half of 2013 and the first half of 2012, respectively, kPLN 95.963 and kPLN 105.340. The costs of sale in the first half of 2013 and in the first half of 2012 would be, respectively, kPLN 66.917 and kPLN 74.903.

However, if the value of Group's revenue and costs was simulated using the settlement model binding in case of the contract between PTI Sp. z o.o. and Polkomtel Sp. z o.o., the Group's revenue in the first half of 2013 and in the first quarter of 2012, would amount to, respectively, kPLN 186,014 and kPLN 197,304. The costs of sale in the first half of 2013 and in the first half of 2012 would be, respectively, kPLN 156,969 and kPLN 166,867.

#### **25. Other information required by law (selected financial data converted into EUR)**

In the periods covered by these abbreviated consolidated financial statements, the following average exchange rates of PLN and EUR published by the National Bank of Poland were used:

- the exchange rate in force on the last day of the reporting period: 30/06/2013 4.3292 PLN/EUR, 30/06/2012 4.2613 PLN/EUR, 31/12/2012 4.0882 PLN/EUR,
- the average exchange rate in the period, calculated as an arithmetical average of exchange rate in force on the last day of each month in the given period: 01/01 - 30/06/2013 4.2140 PLN/EUR, 01/01 - 30/06/2012 4.2246 PLN/EUR, 01/01 - 31/12/2012 4.1744 PLN/EUR,
- the highest and the lowest exchange rate in force in each period: 01/01 - 30/06/2013 4.2909 and 4.1429 PLN/EUR, 01/01 - 30/06/2012 4.2613 and 4.227 PLN/EUR, 01/01 - 31/12/2012 4.3889 and 4.0882 PLN/EUR.

Basic items of the consolidated balance sheet, consolidated income statement and the consolidated cash flow statement as converted into EUR are presented in the table below:

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012	from 01/01 to 30/06/2013	from 01/01 to 30/06/2012	from 01/01 to 31/12/2012
	in k PLN			in k EUR		
<b>Income statement</b>						
Sale revenues	133,874	139,159	293,165	31,769	32,940	70,229
Profit (loss) from operating activity	4,751	5,148	12,541	1,128	1,219	3,004
Profit (loss) before taxation	4,459	4,954	12,122	1,058	1,173	2,904
Net profit (loss)	3,496	3,846	9,316	830	910	2,232
Net profit (loss) - share of the shareholders of the parent company	3,496	3,846	9,316	830	910	2,232
Earnings per share (PLN; EUR)	0.62	0.61	1.49	0.15	0.14	0.36
Diluted earnings per share (PLN; EUR)	0.62	0.61	1.49	0.15	0.14	0.36
Average exchange rate PLN / EUR in the period	X	X	X	4.2140	4.2246	4.1744
<b>Cash Flow Statement</b>						
Net cash flow from operating activity	-1,830	5,803	8,336	-434	1,374	1,997
Net cash flow from investment activity	-130	-170	-1,455	-31	-40	-349
Net cash flow from financial activity	-6,216	751	-9,504	-1,475	178	-2,277
Change in cash and cash equivalents	-8,176	6,384	-2,623	-1,940	1,511	-628
Average exchange rate PLN / EUR in the period	X	X	X	4.2140	4.2246	4.1744
	<b>30/06/2013</b>	30/06/2012	31/12/2012	<b>30/06/2013</b>	30/06/2012	31/12/2012
	in k PLN			in k EUR		
<b>Balance sheet</b>						
Assets	114,916	143,694	134,950	26,544	33,721	33,010
Long-term liabilities	8,115	10,370	9,133	1,875	2,434	2,234
Short-term liabilities	51,039	69,746	65,611	11,789	16,367	16,049
Shareholder's equity	55,761	63,578	60,206	12,880	14,920	14,727
Total equity -share of the parent company shareholders	55,761	63,578	60,206	12,880	14,920	14,727
PLN / EUR exchange rate at period end	X	X	X	4.3292	4.2613	4.0882



Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2013 – 30/06/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

## 26. Approval for publication

The abbreviated interim consolidated financial statements made for the period of 6 months ended on 30/06/2013 (including comparable data) have been approved for publication by the Parent Company's Management Board on 14 August 2013.

Signatures of all Management Board Members

Date	Name and surname	Position	Signature
14 August 2013	Rafał Stempniewicz	President of the Management Board	
14 August 2013	Stanisław Górski	Member of the Management Board	
14 August 2013	Robert Krasowski	Member of the Management Board	

Signature of the person responsible for the preparation of the abbreviated interim consolidated financial statements

Date	Name and surname	Position	Signature
14 August 2013	Jolanta Stachowiak	Chief Accountant	