

TELL S.A. GROUP

ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY 2014 TO 30 JUNE 2014

POZNAŃ, 25 AUGUST 2014

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	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 STATEMENT OF FINANCIAL POSITION

ASSETS	30/06/2014	30/06/2013	31/12/2013
Fixed assets			
Goodwill	57,581	57,581	57,581
Intangible fixed assets	641	875	779
Tangible fixed assets	4,515	3,713	4,400
Investment properties			
Interests in subsidiaries	1,287	1,287	1,287
Interests in associates			
Receivables and loans	991	941	979
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	65	170	129
Deferred income tax assets	1,019	1,217	1,133
Fixed assets	66,118	65,784	66,288
Current assets			
Inventories	9,085	8,518	11,477
Receivables from building services contracts			
Trade receivables and other receivables	40,127	38,846	44,054
Current tax assets	26	59	121
Loans	21	7	6
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	574	527	285
Cash and cash equivalents	1,755	1,175	593
Fixed assets classified as held for trading			
Current assets	51,589	49,132	56,536
Total assets	117,707	114,916	122,823

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont.'d)

EQUITY AND LIABILITIES	30/06/2014	30/06/2013	31/12/2013
Shareholder's equity			
<i>Equity - share of the shareholders of the parent company:</i>			
Share capital	1,022	1,136	1,022
Treasury shares (-)		-7,941	
- Share premium	24,863	24,863	24,863
Other Capitals	1,459	9,286	1,459
Retained profits:			
- retained profit (loss)	28,380	24,921	19,810
- net profit (loss) - share of the parent company shareholders	3,097	3,496	8,571
Equity - share of the shareholders of the parent company	58,822	55,761	55,725
Non-controlling shares			
Shareholder's equity	58,822	55,761	55,725
Liabilities			
Long-term liabilities			
Loans, credits, other debt instruments		1,058	460
Financial lease			
Financial derivatives			
Other liabilities			
Deferred income tax liabilities	7,192	6,984	7,017
Employee benefits liabilities	68	74	68
Other long-term provisions			
Long-term prepayments			
Long-term liabilities	7,260	8,115	7,545
Short-term liabilities			
Trade liabilities and other liabilities	41,925	41,043	47,081
Current tax liabilities	334	559	1,570
Loans, credits, other debt instruments	6,518	6,634	6,670
Financial lease			
Financial derivatives			
Employee benefits liabilities	2,848	2,659	4,231
Other short-term provisions		144	
Short-term prepayments			
Liabilities related to fixed assets held for trading			
Short-term liabilities	51,626	51,039	59,553
Total provisions	58,885	59,155	67,098
Total equity and liabilities	117,707	114,916	122,823

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
Continued activities			
Sale revenues	121,060	133,874	263,865
Revenues from the sale of products			
Revenue from the sale of services	70,010	79,351	155,666
Revenue from the sale of goods and materials	51,049	54,523	108,199
Sale costs	91,757	104,829	202,581
Costs of products sold			
Costs of services sold	41,379	50,859	96,019
Cost of goods and materials sold	50,378	53,970	106,562
Gross profit (loss) on sales	29,303	29,046	61,284
Sale costs	20,252	19,371	39,151
Administration costs	4,233	4,665	8,713
Other operating income	291	407	641
Other operating expense	533	665	2,546
Profit (loss) on the sale of subsidiaries (+/-)			
Operating profit (loss)	4,577	4,751	11,515
Financial income	36	110	147
Financial costs	635	402	761
Share in the profit (loss) of companies measured using the equity method (+/-)			
Profit (loss) before taxation	3,977	4,459	10,901
Income Tax	880	963	2,330
Net profit (loss) on continued activities	3,097	3,496	8,571
Discontinued operations			
Net profit (loss) on discontinued operations			
Net profit (loss)	3,097	3,496	8,571
Net profit (loss) - share of:			
- shareholders of the Parent Company	3,097	3,496	8,571
- non-controlling parties			

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
<i>on continued operations</i>			
- basic	0.61	0.62	1.59
- diluted	0.61	0.62	1.59
<i>on continued and discontinued operations</i>			
- basic	0.61	0.62	1.59
- diluted	0.61	0.62	1.59

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
Net profit (loss)	3,097	3,496	8,571
Other comprehensive income			
Items not carried as financial profit or loss			
Revaluation of tangible assets			
Income tax referred to items carried as financial profit or loss			
Items carried as financial profit or loss			
Available-for-sale financial assets:			
- profit (loss) recognised in the period as other comprehensive income			
- recognised as profit or loss			
Cash flow hedging instruments:			
- profit (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 items carried as financial profit or loss			
Other comprehensive income after taxation			
Comprehensive income	3,097	3,496	8,571
Comprehensive income - share of:			
- shareholders of the Parent Company	3,097	3,496	8,571
- 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	Total		
As at 01/01/2014	1,022		24,863	1,459	28,380	55,725		55,725
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,022		24,863	1,459	28,380	55,725		55,725
Changes in equity in the period from 01/01 to 30/06/2014								
Purchase 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 30/06/2014					3,097	3,097		3,097
Other comprehensive income after taxation in the period from 01/01 to 30/06/2014								
Total comprehensive income					3,097	3,097		3,097
Transfer to retained profits (sale of revalued fixed assets)								
As at 30/06/2014	1,022		24,863	1,459	31,477	58,822		58,822

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont.'d)

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Share capital	Treasury shares (-)	Share premium	Other capitals	Retained profits	Total		
As at 01/01/2013	1,136		24,863	9,286	24,921	60,206		60,206
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,136		24,863	9,286	24,921	60,206		60,206
Changes in equity in the period from 01/01 to 30/06/2013								
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								
Total transactions with shareholders		-7,941				-7,941		-7,941
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								
Total comprehensive income					3,496	3,496		3,496
Transfer to retained profits (sale of revalued fixed assets)								
As at 30/06/2013	1,136	-7,941	24,863	9,286	28,417	55,761		55,761

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT.'D)

	Notes	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
		Share capital	Treasury shares (-)	Share premium	Other capitals	Retained profits		
As at 01/01/2013		1,136		24,863	9,286	24,921	60,206	60,206
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes		1,136		24,863	9,286	24,921	60,206	60,206
Changes in equity in the period from 01/01 to 31/12/2013								
Purchase of shares			-7,941				-7,941	-7,941
Redemption of treasury shares		-113	7,941		-7,827			
Option measurement (share-based payment programme)								
Changes in the group structure - transactions with non-controlling parties								
Dividends						-5,111	-5,111	-5,111
Financial result recognised as equity								
Total transactions with shareholders		-113	0		-7,827	-5,111	-13,052	-13,052
Net profit for the period from 01/01 to 31/12/2013						8,571	8,571	8,571
Other comprehensive income after taxation in the period from 01/01 to 31/12/2013								
Total comprehensive income						8,571	8,571	8,571
Transfer to retained profits (sale of revalued fixed assets)								
As at 31/12/2013		1,022	0	24,863	1,459	28,380	55,725	55,725

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CONSOLIDATED CASH FLOW STATEMENT

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
Cash flow from operating activity			
Profit (loss) before taxation	3,977	4,459	10,901
Adjustments:			
Depreciation of tangible fixed assets	893	866	1,744
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	-10	63	137
Profit (loss) on the sale of financial assets (other than derivatives)			
Exchange difference gains/losses			
Interest expense	202	191	622
Interest and dividend income	-1	-35	-36
Cost of share-based payments (incentive programmes)			
Share in the profit (loss) of associate companies			
Other adjustments	74	65	
Total adjustments	1,158	1,149	2,467
Change in inventories	2,392	2,226	-733
Change in receivables	3,913	8,967	3,726
Change in liabilities	-6,124	-16,581	-9,637
Change in provisions and prepayments	-640	-665	135
Change in building contracts			
Changes in working capital	-460	-6,052	-6,508
Inflows (outflows) from the settlement of derivatives			
Interest paid on operating activities			
Taxes paid	-1,732	-1,387	-1,692
Net cash flow from operating activity	2,944	-1,830	5,168

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CONSOLIDATED CASH FLOW STATEMENT (Cont.'d)

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
Cash flow from investment activity			
Expenses to purchase fixed assets	-923	-533	-2,096
Inflows from the sale of fixed assets	63	107	126
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	11	261	277
Loans granted	-46		-15
Expenses to purchase other financial assets			
Inflows from the sale of other financial assets			
Inflows from government subsidies received			
Interest income	1	35	36
Dividend income			
Net cash flow from investing activity	-893	-130	-1,671
Cash flow from financial activity			
Net inflows from the issue of shares			
Purchase of treasury shares		-7,941	-7,941
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	3,551	2,976	3,877
Repayment of loans and advances	-4,174	-995	-2,433
Repayment of financial lease liabilities			
Interest paid	-265	-256	-648
Dividends paid			-5,111
Net cash flow from financial activity	-888	-6,216	-12,255
Net change in cash and cash equivalents	1,162	-8,176	-8,758
Cash and cash equivalents at period beginning	593	9,352	9,352
Exchange differences			
Cash and cash equivalents at period end	1,755	1,175	593

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EXPLANATORY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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	Registered office	Percentage share of the Group in the share capital:		
		30/06/2014	30/06/2013	31/12/2013
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 25 August 2014.

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 28 April 2014 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 30/06/2014 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 31/12/2013, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year 2013 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 2013.

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 2014 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 2013.

No amendments to the published standards or interpretations that entered into force on or after 01 January 2014 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 2013.

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:

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	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
Number of shares inserted in the denominator of the formula			
Average weighted number of ordinary shares	5,110,847	5,678,030	5,396,769
Dilution effect of options convertible into shares			
Average weighted diluted number of ordinary shares	5,110,847	5,678,030	5,396,769
Continued activities			
Net profit (loss) on continued activities	3,097,169.22	3,496,030.45	8,571,531.90
Basic profit (loss) per share (PLN)	0.61	0.62	1.59
Diluted profit (loss) per share (PLN)	0.61	0.62	1.59
Discontinued operations			
Net profit (loss) on discontinued operations			
Basic profit (loss) per share (PLN)			
Diluted profit (loss) per share (PLN)			
Continued and discontinued operations			
Net profit (loss)	3,097,169.22	3,496,030.45	8,570,531.90
Basic profit (loss) per share (PLN)	0.61	0.62	1.59
Diluted profit (loss) per share (PLN)	0.61	0.62	1.59

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 main contractor is Orange Polska S.A. 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 58% in 2014. In 2013, the share was at the level of 59%. The share of two remaining operators, i.e. Polkomtel Sp. z o.o. and T Mobile Polska 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)	2014 First half	2013 First half	Change First half 2014/ First half 2013
Revenue from the sale of telecommunication services	47,612	51,080	93.21%
Sets and pre-paid refills	8,240	9,770	84.34%
Postpaid contract phones	60,319	68,011	88.69%

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Other revenue	4,888	5,013	97.51%
Total	121,060	133,874	90.43%

Service sale volume	2014 First half	2013 First half	Change First half 2014/ First half 2013
Postpaid activations	270,058	293,750	91.93%
Prepaid activations	55,370	64,601	85.71%
Total	325,428	358,351	90.81%

10. Goodwill

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

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
Gross value	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
Impairment charges			
As at period beginning			
Loss expensed as cost in the period			
Net exchange differences on conversion			
Other changes			
Impairment loss at period end			
Goodwill - carrying amount at period end	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
for the period from 01/01 to 30/06/2014			
Net carrying amount as at 01/01/2014	392	387	779
Acquisition by a business combination	6		6
Increase (acquisition, production, lease)			
Decrease (disposal, liquidation) (-)			
Depreciation and amortisation (-)	-79	-65	-144
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 30/06/2014	319	321	641
for the period from 01/01 to 30/06/2013			
Net carrying amount as at 01/01/2013	387	571	957
Acquisition by a business combination			
Increase (acquisition, production, lease)	73		73

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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
for the period from 01/01 to 31/12/2013			
Net carrying amount as at 01/01/2013	387	571	957
Acquisition by a business combination			
Increase (acquisition, production, lease)	180		180
Sale of a subsidiary (-)			
Decrease (disposal, liquidation) (-)		-8	-8
Revaluation to fair value (+/-)			
Depreciation and amortisation (-)	-175	-176	-351
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 31/12/2013	392	387	779

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
for the period from 01/01 to 30/06/2014					
Net carrying amount as at 01/01/2014	1,033	1,059	2,276	33	4,400
Acquisition by a business combination	257	414	252	35	957
Increase (acquisition, production, lease)					
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-8	-11	-1	-45	-64
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-224	-216	-338		-778
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2014	1,058	1,245	2,189	22	4,515
for the period from 01/01 to 30/06/2013					
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 (+/-)					

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Net carrying amount as at 30/06/2013	767	1,218	1,685	43	3,713
for the period from 01/01 to 31/12/2013					
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)	721	178	1,020	848	2,797
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-7	-87	-158		-252
Other changes (reclassification, transfers, etc.)				-848	-848
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-367	-421	-648		-1,436
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2013	1,033	1,059	2,276	33	4,400

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	30/06/2014		30/06/2013		31/12/2013	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Assets:						
Loans	21	21	7	7	6	6
Trade receivables and other	40,127	40,127	39,787	39,787	43,704	43,704
Financial derivatives						
Debt securities						
Listed shares						
Non-listed shares and participations*						
Investment fund units						
Remaining classes of other financial assets						
Cash and cash equivalents	1,755	1,755	1,175	1,175	593	593
Liabilities:						
Loan facilities			4,004	4,004	2,313	2,313
Overdraft facilities	6,518	6,518	3,688	3,688	4,817	4,817
Loans						
Debt securities						
Financial lease						
Financial derivatives						
Trade liabilities and other	38,589	38,589	38,868	38,868	44,966	44,966

*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

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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.

14. Impairment charges

Impairment of inventories:

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
As at period beginning	1,013	647	647
Loss expensed as cost in the period		118	366
Reversal of impairments in the period (-)			
Other changes (net exchange differences on conversion)			
At period end	1,013	765	1,013

Impairment of receivables and loans:

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
As at period beginning	5,444	4,875	4,875
Loss expensed as cost in the period	296	153	679
Reversal of impairments carried as revenue in the period (-)	-20	-28	-72
Provisions used (-)	-19	-1	-38
Other changes (net exchange differences on conversion)			
At period end	5,701	4,999	5,444

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:

	30/06/2014	30/06/2013	31/12/2013
Number of shares	5,110,847	5,678,030	5,110,847
Par value of shares (PLN)	0.20	0.20	0.20
Share capital	1,022,169.40	1,135,606.00	1,022,169.40

16. Purchase of shares

The Company did not purchase its shares.

17. Dividend

By the date of this statements, the Company had not paid the dividend for 2013. The General Meeting of Shareholders held on 03 June 2014 adopted Resolution No. 14/2014 concerning the distribution of profit – stating that the resolution concerning the distribution of profit for 2013 would be taken not later than 31 October 2014.

In periods presented as comparable periods, the recognized profit for 2013 was PLN 9.801.796,85.

18. Issue and redemption of debt securities

There has been no issue or redemption of debt securities.

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	Other provisions, including provisions for:
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Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	long-term employee benefits	Accrued holidays	Costs of remuneration	Other expenses	Other benefits	total
for the period from 01/01 to 30/06/2014						
As at period beginning	68	1,106	680			1,853
Provision increase carried as expense in the period		63				63
Write-back of provisions recognised as the revenue in the period (-)						
Utilisation of provisions (-)			-428			-428
Increase by business combinations						
Other changes (net exchange differences after conversion)						
Provisions as at 30/06/2014	63	1,168	252			1,488
for the period from 01/01 to 30/06/2013						
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
for the period from 01/01 to 31/12/2013						
As at period beginning	74	963	834	96	0	1,966
Provision increase carried as expense in the period		158	680			838
Write-back of provisions recognised as the revenue in the period (-)	-6	-14	-29	-15		-65
Utilisation of provisions (-)			-805	-81		-886
Increase by business combinations						
Other changes (net exchange differences after conversion)						
Provisions as at 31/12/2013	68	1,106	680	0		1,853

20. Contingent Liabilities

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

	30/06/2014	30/06/2013	31/12/2013
To related parties not subject to consolidation:			
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			

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

To associated parties:			
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	-	-	-
To other parties:			
Liability payment guarantee	30,885	33,425	34,105
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		-	
Total contingent liabilities	30,885	33,425	34,105

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:

	Interest income			Revenue from operating activities			Receivables		
	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013	30/06/2014	30/06/2013	31/12/2013
Sales to:									
The parent company									
A subsidiary	306	361	693	255	338	625	0	30	0
An associate									
A joint venture									
Key management personnel									
Other related parties									
Total	306	361	693	255	338	625	0	30	0

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	30/06/2014		30/06/2013		31/12/2013	
	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance
Loans granted:						
to the parent company						
to a subsidiary	4,550	6,982	7,680	9,987	11,230	6,582
to an associate						
to a joint venture						
to a person from the key management						
to other related parties						
Total	4,550	6,982	7,680	9,987	11,230	6,582

23. Events after the Balance Sheet Date

After 30/06/2014, there have been no events which would require recognition in the abbreviated consolidated financial statements for the first 6 months of 2014:

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 – Orange Polska S.A.

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.

T-Mobile network operator – T-Mobile Polska S.A.

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 Orange network operator.

This system was changed in March 2013. Currently, the Company receives phones from the Operator as held in trust and has 45 to sell them. If not sold within such period of 45 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 45 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.

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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 2014 and 2013, respectively, kPLN 91.653 and kPLN 95.963. The costs of sale in 2014 and 2013 would be, respectively, kPLN 62.350 and kPLN 66.917.

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

In the periods covered by these abbreviated separate 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: 30/06/2014 4.1609 PLN/EUR, 30/06/2013 4.3292 PLN/EUR, 31/12/2013 4.1472 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 - 30/06/2014 4.1784 PLN/EUR, 01/01 - 30/06/2013 4.2140 PLN/EUR, 01/01 - 31/12/2013 4.2110 PLN/EUR,
- the highest and the lowest exchange rate in force in each period: 01/01 - 30/06/2014 4.2368 and 4.1420 PLN/EUR, 01/01 - 30/06/2013 4.3292 and 4.1429 PLN/EUR, 01/01 - 31/12/2013 4.3292 and 4.41429 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:

	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013	from 01/01 to 30/06/2014	from 01/01 to 30/06/2013	from 01/01 to 31/12/2013
	in k PLN			in k EUR		
Income statement						
Sale revenues	121,060	133,874	263,865	28,972	31,769	62,661
Profit (loss) from operating activity	4,577	4,751	11,515	1,095	1,128	2,734
Profit (loss) before taxation	3,977	4,459	10,901	952	1,058	2,589
Net profit (loss)	3,097	3,496	8,571	741	830	2,035
Net profit (loss) - share of the shareholders of the parent company	3,097	3,496	8,571	741	830	2,035
Earnings per share (PLN; EUR)	0.61	0.62	1.59	0.15	0.15	0.38
Diluted earnings per share (PLN; EUR)	0.61	0.62	1.59	0.15	0.15	0.38
Average exchange rate PLN / EUR in the period	X	X	X	4.1784	4.2140	4.2110
Cash Flow Statement						
Net cash flow from operating activity	2,944	-1,830	5,168	704	-434	1,227
Net cash flow from investment activity	-893	-130	-1,671	-214	-31	-397

Name of the group:	TELL S.A. GROUP					
Period covered by the financial statements:	01/01/2014 – 30/06/2014	Reporting currency:		Polish zloty (PLN)		
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated					

Net cash flow from financial activity	-888	-6,216	-12,255	-213	-1,475	-2,910
Change in cash and cash equivalents	1,162	-8,176	-8,758	278	-1,940	-2,080
Average exchange rate PLN / EUR in the period	X	X	X	4.1784	4.2140	4.2110
	30/06/2014	30/06/2013	31/12/2013	30/06/2014	30/06/2013	31/12/2013
	in k PLN			in k EUR		
Balance sheet						
Assets	117,707	114,916	122,823	28,289	26,544	29,616
Long-term liabilities	7,260	8,115	7,545	1,745	1,875	1,819
Short-term liabilities	51,626	51,039	59,553	12,407	11,789	14,360
Shareholder's equity	58,822	55,761	55,725	14,137	12,880	13,437
Total equity -share of the parent company shareholders	58,822	55,761	55,725	14,137	12,880	13,437
PLN / EUR exchange rate at period end	X	X	X	4.1609	4.3292	4.0882

26. Approval for publication

The abbreviated interim consolidated financial statements made for the period of 6 months ended on 30/06/2014 (including comparable data) have been approved for publication by the Parent Company's Management Board on 25 August 2014.

Signatures of all Management Board Members

Date	Name and surname	Position	Signature
25 August 2014	Rafał Stempniewicz	President of the Management Board	
25 August 2014	Stanisław Górski	Member of the Management Board	
25 August 2014	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
25 August 2014	Jolanta Stachowiak	Chief Accountant	