

TELL S.A. GROUP

CONSOLIDATED HALF-YEARLY REPORT FOR 2015

Poznań, 17 August 2015

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SELECTED FINANCIAL DATA OF THE TELL S.A. GROUP

SELECTED FINANCIAL DATA OF THE TELL S.A. GROUP

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 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014
	k PLN			k EUR		
<i>Income statement</i>						
Sale revenues	155,643	121,060	248,632	37,648	28,972	59,351
Operating profit (loss)	6,055	4,577	10,792	1,465	1,095	2,576
Profit (loss) before taxation	5,265	3,977	7,997	1,274	952	1,909
Net profit (loss)	4,058	3,097	6,031	982	741	1,440
Net profit (loss) - share of the shareholders of the Parent Company	3,614	3,097	6,031	874	741	1,440
Average weighted number of shares (items)	5,788,531	5,110,847	5,110,847	5,788,531	5,110,847	5,110,847
Earnings per share (PLN; EUR)	0.62	0.61	1.18	0.15	0.15	0.28
Diluted earnings per share (PLN; EUR)	0.62	0.61	1.18	0.15	0.15	0.28
Average exchange rate PLN / EUR in the period	x	x	x	4.1341	4.1784	4.1892
<i>Cash Flow Statement</i>						
Net cash flow from operating activity	19	2,944	9,764	5	704	2,331
Net cash flow from investing activity	-1,850	-893	-2,170	-447	-214	-518
Net cash flow from financial activity	2,979	-888	-7,652	720	-213	-1,827
Net change in cash and cash equivalents	1,147	1,162	-59	278	278	-14
Average exchange rate PLN / EUR in the period	x	x	x	4.1341	4.1784	4.1892

30/06/2015	30/06/2014	31/12/2014	30/06/2015	30/06/2014	31/12/2014
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SELECTED FINANCIAL DATA OF THE TELL S.A. GROUP

	k PLN			k EUR		
Balance sheet						
Assets	185,161	117,707	119,189	44,145	28,289	27,964
Long-term liabilities	13,663	7,260	7,382	3,257	1,745	1,732
Short-term liabilities	89,123	51,626	55,162	21,248	12,407	12,942
Shareholder's equity	82,375	58,822	56,645	19,639	14,137	13,290
Equity - share of the parent company shareholders	80,880	58,822	56,645	19,283	14,137	13,290
PLN / EUR exchange rate at period end	x	x	x	4.1944	4.1609	4.2623

In the periods covered by these interim 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: 30/06/2015 4.1944 PLN/EUR, 30/06/2014 4.1609 PLN/EUR, 31/12/2014 4.2623 PLN/EUR,
- the average exchange rate in the period, calculated as an arithmetical average of exchange rates in force on the last day of each month in the given period: 01/01 - 30/06/2015 4.1341 PLN/EUR, 01/01 - 30/06/2014 4.1784 PLN/EUR, 01/01 - 31/12/2014 4.1892 PLN/EUR,
- the highest and the lowest exchange rate in force in each period: 01/01 - 30/06/2015 4.2081 and 4.0337 PLN/EUR, 01/01 - 30/06/2014 4.2368 and 4.1420 PLN/EUR, 01/01 - 31/12/2014 4.2623 and 4.1420 PLN/EUR.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TELL S.A. GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TELL S.A. GROUP

ASSETS	30/06/2015	30/06/2014	31/12/2014
Fixed assets			
Goodwill	68,385	57,581	57,581
Intangible fixed assets	6,018	641	593
Tangible fixed assets	12,739	4,515	4,917
Investment properties			
Interests in subsidiaries		1,287	
Interests in associates			
Receivables and loans	1,272	1,011	1,005
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	3	65	
Deferred income tax assets	2,791	1,019	836
Fixed assets	91,208	66,118	64,931
Current assets			
Inventories	15,096	9,085	12,745
Receivables from building services contracts			
Trade Receivables and Other Receivables	72,916	40,127	40,592
Current tax assets	22	26	65
Loans	12	21	27
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	4,225	574	294
Cash and cash equivalents	1,682	1,755	535
Fixed assets classified as held for sale			
Total current assets	93,953	51,589	54,258
Total assets	185,161	117,707	119,189

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TELL S.A. GROUP

EQUITY AND LIABILITIES	30/06/2015	30/06/2014	31/12/2014
Shareholder's equity			
Equity - share of the parent company shareholders:			
Share capital	1,378	1,022	1,022
Treasury shares (-)			
Share premium	45,129	24,863	24,863
Other Capitals	1,459	1,459	1,459
Retained profits:			
- retained profit from previous years	29,301	28,380	28,380
- net profit for the parent company's shareholders	3,614	3,097	6,031
Equity - share of the parent company shareholders	80,880	58,822	56,645
Non-controlling shares	1,495		
Shareholder's equity	82,375	58,822	56,645
Liabilities			
Long-term liabilities			
Loans, credits, other debt instruments	194		
Financial lease	2,787		
Financial derivatives			
Other liabilities			
Deferred income tax liabilities	8,236	7,192	7,309
Employee benefit liabilities	64	68	72
Other long-term provisions			
Long-term prepayments	2,382		
Long-term liabilities	13,663	7,260	7,382
Short-term liabilities			
Trade liabilities and other liabilities	56,750	41,925	45,980
Factoring liabilities	10,056		
Current tax liabilities	1,081	334	596
Loans, credits, other debt instruments	12,679	6,518	5,095
Financial lease	1,863		
Financial derivatives			
Employee benefit liabilities	6,534	2,848	3,492
Other short-term provisions			
Short-term prepayments	159		
Liabilities related to fixed assets held for sale			
Short-term liabilities	89,123	51,626	55,162
Total provisions	102,786	58,885	62,544
Total equity and liabilities	185,161	117,707	119,189

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE TELL S.A. GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE TELL S.A. GROUP

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Continued activities			
Sale revenues	155,643	121,060	248,632
Revenues from the sale of products			
Revenue from the sale of services	105,506	70,010	141,139
Revenue from the sale of goods and materials	50,137	51,049	107,493
Sale costs	135,502	109,111	224,144
Costs of products sold			
Costs of services sold	86,965	58,733	118,085
Cost of goods and materials sold	48,537	50,378	106,060
Gross profit (loss) on sales	20,141	11,948	24,487
Sale costs	5,060	2,897	5,750
Administration costs	9,204	4,233	8,443
Other operating income	721	291	1,428
Other operating expense	543	533	931
Profit (loss) on the sale of subsidiaries (+/-)			
Operating profit (loss)	6,055	4,577	10,792
Financial income	206	36	76
Financial costs	996	635	2,871
Share in the profit (loss) of entities measured using the equity method (+/-)			
Profit (loss) before taxation	5,265	3,977	7,997
Income Tax	1,207	880	1,966
Net profit (loss) on continued activities	4,058	3,097	6,031
Discontinued operations			
Net profit (loss) on discontinued operations			
Net profit (loss) - share of:			
- shareholders of the Parent Company	3,614	3,097	6,031
- non-controlling parties	444		

NET PROFIT (LOSS) PER ORDINARY SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (PLN)

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
on continued operations			
- basic	0.62	0.61	1.18
- diluted	0.62	0.61	1.18
on continued and discontinued operations			
- basic	0.62	0.61	1.18
- diluted	0.62	0.61	1.18

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE TELL S.A. GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE TELL S.A. GROUP

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Net profit (loss)	4,058	3,097	6,031
Other comprehensive income			
Items not carried as financial profit or loss			
Revaluation of tangible assets			
Income tax referred to items not 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 transferred to the financial result - sale of foreign operations			
Share in the other comprehensive income of entities measured using the equity method			
Income tax referred to items carried as financial profit or loss			
Other comprehensive income after taxation			
Comprehensive income	4,058	3,097	6,031
Comprehensive income - share of:			
- shareholders of the Parent Company	3,614	3,097	6,031
- non-controlling parties	444		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE TELL S.A. GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE TELL S.A. GROUP

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2015	1,022	24,863	1,459	29,301	56,645		56,645
Changes in accounting policies							
Adjustment of fundamental errors							
Balance after changes	1,022	24,863	1,459	29,301	56,645		56,645
Changes in equity in the period from 01/01 to 30/06/2015							
Issue of shares	356	20,266			20,621		20,621
Business combination						1,298	1,298
Dividend payment by subsidiaries						-247	-247
Changes in the group structure (transactions with non-controlling parties)							
Dividends							
Financial result recognised as equity							
Total transactions with shareholders	356	20,266			20,621	1,051	1051
Net profit for the period from 01/01 to 30/06/2015				3,614	3,614	444	4,058
Other comprehensive income after taxation in the period from 01/01 to 30/06/2015							
Total comprehensive income				3,614	3,614	444	4,058
Transfer to retained profits (sale of revalued fixed assets)							
As at 30/06/2015	1,378	45,129	1,459	32,914	80,880	1,495	82,375

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE TELL S.A. GROUP

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE TELL S.A. GROUP

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
As at 01/12/2014	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 31/12/2014							
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				-5,111	-5,111		- 5,111
Financial result recognised as equity							
Total transactions with shareholders				- 5,111	-5,111		-5,111
Net profit for the period from 01/01 to 31/12/2014				6,031	6,031		6,031
Other comprehensive income after taxation in the period from 01/01 to 31/12/2014							
Total comprehensive income				6,031	6,031		6,031
Transfer to retained profits (sale of revalued fixed assets)							
As at 31/12/2014	1,022	24,863	1,459	29,301	56,645		56,645

CONSOLIDATED CASH FLOW STATEMENT OF THE TELL S.A. GROUP

CONSOLIDATED CASH FLOW STATEMENT OF THE TELL S.A. GROUP

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Cash flow from operating activity			
Profit (loss) before taxation	5,265	3,977	7,997
<i>Adjustments:</i>			
Depreciation of tangible fixed assets	1,803	893	1,826
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			1,287
Profit (loss) on the sale of non-financial fixed assets	-174	-10	4
Exchange difference gains/losses			
Interest expense	554	202	387
Interest and dividend income	-231	-1	-14
Cost of share-based payments (incentive programmes)			
Share in the profit (loss) of associate companies			
Other adjustments		74	129
Total adjustments	1,953	1,158	3,620
Change in inventories	-194	2,392	-1,268
Change in receivables	-4,950	3,913	3,436
Change in liabilities	-1,320	-6,124	-1,067
Change in provisions and prepayments	612	-640	-660
Change in building contracts			
Changes in working capital	-5,851	-460	441
Inflows (outflows) from the settlement of derivatives			
Interest paid on operating activities			
Taxes paid	-1,348	-1,732	-2,294
Net cash flow from operating activity	19	2,944	9,764

CONSOLIDATED CASH FLOW STATEMENT OF THE TELL S.A. GROUP

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Cash flow from investing activity			
Expenses to purchase fixed assets	-3,851	-923	-2,336
Inflows from the sale of fixed assets	94	63	174
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	16	11	24
Loans granted		-46	-46
Expenses to purchase other financial assets			
Inflows from the sale of other financial assets			
Inflows from government subsidies received			
Interest income	231	1	14
Cash from business combination	1,660		
Net cash flow from investing activity	-1,850	-893	-2,170
Net inflows from the issue of shares			
Purchase of treasury shares			
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	11,821	3,551	5,457
Repayment of loans and advances	-7,463	-4,174	-7,504
Repayment of financial lease liabilities	-678		
Interest paid	-554	-265	-505
Dividends paid	-147		-5,100
Net cash flow from financial activity	2,979	-888	-7,652
Net change in cash and cash equivalents	1,147	1,162	-59
Cash and cash equivalents at period beginning	535	593	593
Exchange differences			
Cash and cash equivalents at period end	1,682	1,755	535

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

1. Declaration of the Management Board of the Issuer

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 Issuer hereby states and declares that, to the best of its knowledge, these abbreviated interim consolidated 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 half-yearly 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 abbreviated interim consolidated 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 2015 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.

2. Rules applied in preparing these statements, including information about changes to accounting policies (rules)

2.1 Drawing up basis

The abbreviated interim consolidated financial statements of the TELL S.A. Group comprise the period of 6 months ended on 30/06/2015 and was made in accordance with IAS 34 *Interim Financial Reporting* and in accordance with the IFRS applicable to the interim financial reporting as approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) in the form as endorsed by the European Union and in force as at 30 June 2015.

In order to ensure a better understanding of the financial and economic position of the Group, additionally, comparable data from the consolidated balance sheet made as at 31/12/2014 were provided, even though there is no such requirement in IAS 34.

The abbreviated interim consolidated financial statements do not contain all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These interim consolidated financial statements should be read together with the consolidated financial statements of the Group for the year 2014.

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

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

The abbreviated interim consolidated interim financial statements were prepared in accordance with the going concern principle. As at the date of the approval of these abbreviated interim 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.

2.2 Accounting policies

In the period from 01 January to 30 June 2015, the accounting principles did not change when it comes to the valuation of assets and liabilities and the measurement of the financial result.

In the remaining scope, these abbreviated interim consolidated financial statements were prepared in accordance with the accounting principles as presented in the latest consolidated financial statements of the Group for the year ended on 31 December 2014.

2.3 Changes in the presentation of data in the statement of profit or loss

By virtue of decision of the Issuer's Management Board, new principles concerning the aggregation of own costs of services sold and the sale costs were implemented. The change does not influence the financial result of the adjusted period but will allow a better understanding of the financial statements, in particular in the context of the takeover of Cursor S.A. and Divante Sp. z o.o. (table below).

Consolidated financial statements for the period from 01/01 to 30/06/2014 before and after adjustment:

	from 01/01 to 30/06/2014 before adjustment	Adjustment	from 01/01 to 30/06/2014 after adjustment
Sale revenues	121,060		121,060
Revenue from the sale of services	70,010		70,010
Revenue from the sale of goods and materials	51,049		51,049
Sale costs	91,757	17,355	109,111
Costs of services sold	41,379	17,355	58,733
Cost of goods and materials sold	50,378		50,378
Gross profit (loss) on sales	29,303	-17,355	11,948
Sale costs	20,252	-17,355	2,897
Administration costs	4,233		4,233
Other operating income	291		291
Other operating expense	533		533
Operating profit (loss)	4,577	0	4,577

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

Consolidated financial statements for the period from 01/01 to 31/12/2014 before and after adjustment:

	from 01/01 to 31/12/2014 before adjustment	Adjustment	from 01/01 to 31/12/2014 after adjustment
Sale revenues	248,632		248,632
Revenue from the sale of services	141,139		141,139
Revenue from the sale of goods and materials	107,493		107,493
Sale costs	188,331	35,813	224,144
Costs of services sold	82,272	35,813	118,085
Cost of goods and materials sold	106,060		106,060
Gross profit (loss) on sales	60,301	-35,813	24,487
Sale costs	41,563	-35,813	5,750
Administration costs	8,443		8,443
Other operating income	1,428		1,428
Other operating expense	931		931
Operating profit (loss)	10 72	0	10 72

2.4 Change of Standards and Interpretations

When preparing the interim consolidated financial statements, the Company follows the same rules as when preparing the annual consolidated financial statements, save the amendments to standards and new standards and interpretations endorsed by the European Union which are effective for reporting periods beginning on or after 1 January 2015:

- Improvements to IFRSs (2010-2012) – amendments as part of the procedure of introduction of annual improvements of IFRSs,
- Improvements to IFRSs (2011-2013) – amendments as part of the procedure of introduction of annual improvements of IFRSs,
- Amendments to IAS 19 *Defined benefit plans: Employee Contributions*.

In 2015, the group adopted all new and approved standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee and endorsed by the European Union, which apply to its business and effective for the reporting periods beginning on or after 01 January 2015.

The standards and interpretations adopted by the IASB that have not been endorsed by the European Union yet:

- a) IFRS 9 *Financial Instruments* (of 24 February 2014) – effective for reporting periods beginning on or after 1 January 2018

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement, with regard to the classification and measurement of financial assets. The standard eliminates the IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. Upon initial recognition, the financial assets will be classified into one of the following two categories:

- financial assets measured at amortised cost; or
- financial assets measured at fair value.

The financial asset is measured at amortised cost, if the following two conditions are satisfied: assets are held under a business model whose objective is to hold assets in order to obtain contractual cash flows; and, its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The gains and losses on the measurement of financial assets carried at fair value are recognised in profit or loss of the current period, except for the situation when the investment in an equity instrument is not held for trading. IFRS 9 allows one to take a decision about the measurement of such financial instruments upon their initial recognition at fair value through other comprehensive income. Such a decision is irreversible. The selection may be made for each instrument separately. The values recorded in other comprehensive income may not be reclassified to profit or loss in later periods.

- b) Improvements to IFRSs (2012-2014) – amendments as part of the procedure of introduction of annual improvements of IFRSs - effective for reporting periods beginning on or after 1 July 2016.
- c) IFRS 14: *Regulatory Deferral Accounts* - effective for reporting periods beginning on or after 01 January 2016.

This standard was published as part of a larger rate-regulated activities project concerning the comparability of financial statements of entities operating in areas where the prices are regulated by regulatory bodies or supervisory bodies (depending on the jurisdiction, such area often include the electric energy and heat distribution, energy and gas sale, telecommunications services, etc.).

IFRS 14 does not refer in the wider scope to the accounting principles for rate-regulated activities but only determines the principles of recognition of items constituting the revenue or costs eligible for recognition as profit or loss in accordance with the rate-regulation provisions and which, in the light of other IFRSs do not meet the conditions of recognition as assets or liabilities.

The application of IFRS 14 is allowed only if the entity carries out rate-regulated activities and in its financial statements made in accordance with the previously applied accounting principles recognised the amounts eligible for recognition as 'regulatory deferral account balances'.

Pursuant to IFRS 14 published such accounts should be presented in separate items of the statement of financial position (balance sheet) as, respectively, an asset or a liability. These accounts are not divided into current or fixed items and cannot be referred to as assets or liabilities. Therefore, the 'deferred accounts' disclosed in assets are referred to as "regulatory deferral account debit balances" and those disclosed in liabilities - as 'regulatory deferral account credit balances'.

In their statements of profit or loss and other comprehensive income, the entities should disclose net changes in 'deferral accounts', respectively in the part 'other comprehensive income; or in the part 'profit or loss' (on in the separate statement of profit or loss).

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

- d) IFRS 15 *Revenue from Contracts with Customers* - effective for reporting periods beginning on or after 01 January 2018.

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requires such entities to provide more informative and relevant disclosures. This standard provides a single, principles based five-step model to be applied to all contracts with customers when recognising revenue.

- e) Amendment to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture: Bearer Plants* – effective for reporting periods beginning on or after 1 January 2016

The amendment brings the bearer plants, currently covered by IAS 41 *Agriculture: Bearer Plants* into the scope of IAS 16 *Property, Plant and Equipment* so that they are accounted for in the same way as property, plant and equipment, i.e. with the application of measurement at cost or at revaluation. Pursuant to IAS 41 all biological assets used for agricultural activity are measured at fair value less the estimated costs to sell.

- f) Amendment to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets: Clarifications of Acceptable Methods of Depreciation and Amortisation* – effective for reporting periods beginning on or after 1 January 2016

With regard to the depreciation, it was reminded that the depreciation method should reflect the consumption by the entity of economic benefits embodied in the assets. In the amendment to IAS 16 it was added that the revenue-based method (depreciation charges made proportionally to the revenues generated by the entity from the activity in which the given fixed assets are used) is not appropriate. The IASB indicated that a lot of other factors such as, e.g. inflation, that has absolutely nothing to do with the consumption of economic benefits embodied in the tangible fixed assets, influenced the amount of revenues.

With regard to the intangible assets (i.e. as part of amendment to IAS 38), it was concluded that in limited circumstances it may be assumed that the application of revenue-based amortisation method might be appropriate. Such a situation will occur when it can be demonstrated that the revenue and the consumption of economic benefits of the intangible asset are highly correlated and when the intangible asset is expressed as a measure of revenue (when the entity has achieved a defined revenue threshold, the given intangible asset will expire) - the example here may be the right to dig gold from a deposit until a certain revenue is achieved.

- g) Amendment to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations* - effective for reporting periods beginning on or after 01 January 2016.

The amendment clarifies the accounting for acquisitions of and interest in a joint operation when the operation constitutes a business as defined in IFRS 3.

IFRS 3 indicates now that in such a situation the entity should, in the scope resulting from its interest in the joint operation, apply the principles resulting from IFRS 3 *Business Combinations* (as well as other IFRSs that are not in conflict with the guidance in IFRS 11) and should disclose information required relevant for business combinations. Part B of the standard presents more detailed guidelines concerning the method of recognition of, without limitation, the goodwill, impairment tests.

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

- h) Amendments to IAS 1 *Presentation of Financial Statements* - effective for reporting periods beginning on or after 01 January 2016.

The amendments aim at encouraging entities to use their judgement to determine what information is disclosed in their financial statements and where and in what order the disclosures are presented in the financial statements.

- i) Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* - effective for reporting periods beginning on or after 1 January 2016,

The amendments concern investment units: application of consolidation exemption. They also clarify the accounting for investment unit.

- j) Amendments to IAS 27 *Separate Financial Statements* - effective for reporting periods beginning on or after 01 January 2016.

The amendments concern the application of the equity method in separate financial statements. They aim at restoring this method as an additional option of accounting for investments in subsidiaries, joint ventures and associates.

- k) Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* - effective for reporting periods beginning on or after 1 January 2016 - delayed,

The amendments concern the sale or contribution of assets between the investor and its associate or a joint venture and clarify that the recognition of a gain or loss on transactions with the participation of an associate or a joint venture depends on whether or not the assets sold or contributed constitute a business. According to the Group's estimates, the above-mentioned standards, interpretations and amendments would not have any significant impact on the financial statements if they had been applied by the Group at the end of the reporting period.

2.5 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 2014.

3. Operating segments

In relation with the takeover of Cursor S.A. and Divante Sp. z o.o. on 5 March 2015, as part of the Group structure management model adopted and considering the IFRS 8 regulations as well as the usefulness of information for the users of the financial statements, the Issuer distinguishes 3 operating segments which are subject to a detailed assessment by the governing bodies:

Retail Sale Network Management Segment

Sale Support Segment

E-business Segment

3.1 Retail Sale Network Management Segment

The retail sale network management segment comprises comprehensive services related to the sale of the Client's products and services in a network of stores and retail outlets, and in particular the creation and management of retail sale outlet networks and the sale and sale force management.

The Tell Group concentrates on the management of the mobile phone service distribution network, whereby the experience and unique competences related to sale network building may be used in other sectors on the basis on a similar distribution model.

At present, the Tell Group is the provider of these services to three largest mobile phone operators in Poland – Orange, T-Mobile and Plus.

The Group achieved its position by a gradual and consistent increase of the number of its own stores and mergers of smaller store operators. Almost twenty-year long experience and close cooperation with clients as well as constant improvement of the quality of customer service activities are features that positively distinguish the Group as a provider of this type of services.

The authorized Poland-wide representative of Orange S.A. is Tell S.A. The sale of the T-Mobile network services is ensured by Euro- Phone Sp. z o. o., and the sale of services for the PLUS network is ensured by PTI Sp. z o. o.

3.2 Sale Support Segment

All activities in this segment are provided by Cursor S.A. This segment offers activities whose purpose is to ensure an increase in the sale of clients' products and services. The basic services offered to clients under this segment comprise:

outsourcing of sales representatives,
merchandising,
product promotion services,
services related to marketing materials and packaging purchase processing.

Outsourcing of sales representatives is conducted in variants: as a dedicated service model (work of a single team dedicated to a single client) and as a co-shared service model (work of a single team for many clients). The sales representative outsourcing service is addressed to the entire market (modern, traditional and specialist sales). The activities are carried out on the basis of fully computerised processes and in accordance with the ISO 9001:2008 standards.

The **merchandising activity** consists in servicing the goods exposition in commercial networks by stationary teams and mobile servicing of smaller outlets. It is carried out using advanced IT tools and in accordance with the ISO 9001:2008 standards. The merchandising offer is complemented by the goods exposition and availability verification as well as consumer communication standards, all ensured by audits carried out in retail sale outlets. Their purpose is to ensure that the arrangements made between the sale outlet and the producer are observed and to obtain market information in the wide sense.

Product promotion services comprise activities related to a direct contact with the consumer. They concern project related to the provision to the clients of specialised teams of personnel defined as

'Client Advisers' who stimulate the sale in modern or traditional sale outlets or in specialised commercial networks - in direct contact with the consumers - by ensuring additional information about the product, allowing the clients to try product samples or realize individual orders of consumers. Such activities are reinforced by organisation of consumer programmes such as lotteries or contests.

Consulting and optimization related to marketing materials and packaging purchase processing. The services consist in the market analysis with regard the area ordered by the client, provision of recommendations concerning the determination of selection criteria to be followed when purchasing products, purchase cost optimization and administrative support of the process. In case marketing materials or sale support materials are ordered on foreign markets, including also the Asian market, the services comprise the analysis of the supplier's potential, verification of the quality of raw materials (standard observance, quality standard certificates, including, but not limited to SGA, STR, PCBC, PSBI), supervision over the prototype performance and product batch consistency securing.

3.3 E-business Segment

As part of this segment, services dedicated to e-commerce are provided. They comprise the areas of technology, marketing and logistics. The segment encompasses in whole the business of Divante Sp. z o.o. (area related to technologies and marketing) and in part (the section not assigned to the Sale Support Segment) the business of Cursor S.A. (logistic operations). The internal split of tasks between the above-mentioned companies is not visible for the clients.

The e-commerce services are comprehensive solutions ensuring the pursuit and growth of the Internet sale, both as regards the retail market and business customers. The provision of such services may follow the end to end model and may comprise strategic consulting on the Internet commerce, creation of business plans, e-shop platform designing and creation on the basis of various technologies, e-marketing and traffic generation, platform usability optimisation (UX – user experience) as well as the logistic support for the e-sales, including warehousing, packaging, deliveries and sale registration for tax purposes as well as handling of returns and the help line. The technologies used are, without limitation, Magento and Pimcore, and the project management is made with the aid of such modern tools as Scrum and Agile.

Logistic services for marketing and sales comprise solutions related to the management and distribution of marketing materials as well as the support of loyalty programmes and consumer promotions. Marketing materials include, but are not limited to: leaflets, posters, displays, store furniture, shop-in-shop systems as well as regular products but designed for marketing. The services rendered are to allow the optimal utilisation of marketing materials and decrease the expenses on their production and, at the same time, increase the sale and boost consumer loyalty. Consulting and optimal process management workshops, construction and provision of POSM management and ordering IT solutions integrated with the clients' systems are ensured as part of the marketing materials distribution services. Similarly, the services of warehousing, order completion for the clients' sales structures and points of sales, order distribution, marketing materials installation, if they need specialist skills, and POS materials renovation are provided. As part of the loyalty and consumer programme support, Cursor S.A. is responsible for the project strategy as well as the tactics: selection of products and prizes, negotiations with suppliers, collection of personal data, prize personalization and communication, distribution, tax registration settlements.

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Cursor S.A. manages a developed warehouse infrastructure encompassing the area of over 30,000 m² and the capacity of 50,000 pallet places, using the WMS system (warehouse management system). The operation quality consistency is ensured by ISO 9001:2008.

Revenues and results of operating segments:

	Sale network management	Sale Support	E-business	Not assigned	Total
for the period from 01/01 to 30/06/2015					
Revenue from external customers	106,738	24,262	24,476	168	155,643
Revenue from the sales between segments	287	20	105		413
Total income	107,025	24,282	24,581	168	156,056
Segment's operating result	4,036	1,380	783	-144	6,055
Financial income					206
Financial costs (-)					-996
Gross profit before tax					5,265
Income Tax					1,207
Net profit					4,058
EBIDTA	4,955	1,977	1,069	-144	7,858
Amortisation and depreciation	920	597	286		1,803
for the period from 01/01 to 30/06/2014					
Revenue from external customers	121,060			255	121,315
Revenue from the sales between segments					
Total income	121,060			255	121,315
Segment's operating result	4,577				4,577
Financial income					36
Financial costs (-)					635
Gross profit before tax					3,977
Income Tax					880
Net profit					3,097
EBIDTA	5,470				5,470
Amortisation and depreciation	893				893

It should be noted that the revenues and performance of the segments: Sale Support and E-business, concern only the period from March 2015, in relation with the acquisition on 5 March 2015 of shares in Cursor S.A. and in Divante Sp. z o.o.

Geographical areas - revenues:

	01/01 to 30/06/2015	01/01 to 30/06/2014
Poland	154,829	121,315
Czech Republic	13	

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Germany	394	
France	28	
Lithuania	16	
Netherlands	193	
United Kingdom	6	
Denmark	11	
Switzerland	48	
USA	5	
Total	155,643	121,315

4. Explanations concerning the seasonality or cyclicity of the issuer's activities in the presented period

The seasonality of sales in the mobile phone service sector (the retail sale network management segment - of companies: Tell S.A., Europhone Sp. z o.o. and PTI Sp. z o.o.) is visible mainly in the growth of the sales in the fourth quarter, especially 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.

The characteristic feature of the business of Cursor S.A. and Divante Sp. z o.o. (segments Sale Support and E-business) is the seasonality of sales, which is such that the first quarter of each financial year is the period decidedly different from the remaining quarters and constitutes approximately 20% of the annual sales. The second and third quarters are similar in terms of revenues and each one of them constitutes - historically - approximately 25% of the sale value. The highest sales are noted in the fourth quarter – approximately 30% of the annual sales. In the fourth quarter, there is increased demand for products in the pre-Christmas period. The intensity of promotional projects and the logistics of marketing materials and goods distributed directly to the consumers under e-commerce projects is growing. Lower sale values on the first quarter of the year result from reduced orders made by traditional commerce in the post-Christmas period. New projects, whose functional cycle spans annual periods, start with lower intensity, acquisition of IT projects to be followed is in progress. Such project will be carried out in the second, third and fourth quarter.

5. Information on the impairment of inventories to the net realisable value and reversal of impairment charge

Impairment of inventories:

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
As at period beginning	423	901	901
Loss expensed as cost in the period	63		13
Reversal of impairments in the period (-)			-494
Other changes (net exchange differences on conversion)			
At period end	487	901	423

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

6. Information about impairment of financial assets or other assets and on the reversal of impairment charges

Impairment of receivables and loans:

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
As at period beginning	5,619	5,444	5,444
Loss expensed as cost in the period	160	296	314
Reversal of impairments carried as revenue in the period	-65	-20	-98
Provisions used	-36	-19	-40
Increase by business	622		
At period end	6,300	5,701	5,619

7. Information on the creation, increase, utilisation and write-back of 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	Payroll costs	Other costs	Other benefits	Total
for the period from 01/01 to 30/06/2015						
As at period beginning	72	1,021				1,021
Provision increase carried as expense in the period		61	31			92
Provision increase carried as income in the period (-)	-8		-1			-1
Utilisation of provisions (-)			-28			-28
Increase in result of business combination		372				372
Other changes (net exchange differences on conversion)						
Provisions as at 30/06/2015	64	1,454	2			1,456
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
Provision increase carried as income in the period (-)						
Utilisation of provisions (-)			-428			-428
Increase in result of business combination						
Other changes (net exchange differences on conversion)						
Provisions as at 30/03/2014	68	1,168	252			1,488
for the period from 01/01 to 31/12/2014						
As at period beginning	68	1,106	680			1,853

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

Provision increase carried as expense in the period	10	63				63
Provision increase carried as income in the period	-5	-147				-147
Provisions utilised			-680			-680
Business combination change						
Other changes (net exchange differences on conversion)						
Provisions as at 31/12/2014	72	1,021	0			1,021

8. Information about deferred tax assets and liabilities

	30/06/2015	30/06/2014	31/12/2014
As at period beginning:			
Deferred income tax assets	836	1,133	1,133
Deferred income tax liabilities	7,309	7,017	7,017
Deferred tax at period beginning	6,474	5,884	5,884
Change in the period influencing:			
Result (+/-)	-119	-289	-589
Other comprehensive income (+/-)			
Deferred tax at period end	-119	-289	6,474
Deferred income tax assets	1,600	1,019	836
Deferred income tax liabilities	7,955	7,192	7,309
Net deferred income tax assets - from business combination	1,191		
Net deferred income tax liabilities - from business combination	281		

9. Business combinations

Below are presented the entities taken over by the Group in the period of the first half of 2015 and the provisionally established amounts of goodwill and profits resulting from the takeovers settled in the period:

Company	Takeover date	Percentage of capital instruments taken over together with the voting rights	Payment		Net assets of the acquired entity (fair value)	Goodwill (+) / Profit (-)
			acquirer	non-controlling shares		
Cursor S.A.	05/03/2015	100.00%	17,405		8,465	8,941
Divante Sp. z o.o.	05/03/2015	51.03%	3,216	1,298	2,650	1,864

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On 5 March 2015, Tell S.A. acquired the shares in Cursor S.A. with registered office in Warsaw and shares in Divante Sp. z o.o. with registered office in Wrocław. The Companies carry out their business operations in the operating segments of Sale Support and E-business.

The payment was settled by the issue of 1,777,692 shares in Tell S.A. The fair value of shares issued by the Issuer as part of remuneration for the non-cash contribution in the form of 163,517,500 shares in Cursor S.A. and of 592 shares in Divante Sp. z o.o. results from the issuer's share price in the amount of PLN 10.60 per share on the Warsaw Stock Exchange as published on 5 March 2015.

Costs related to the acquisition of control over Cursor Sp. z o.o. and Divante Sp. z o.o. in the amount of kPLN 233 were expensed as cost in 2014 and 2015.

The arrangements concerning the conditional remuneration were determined in the Investment Agreement made on 21 November 2014 by and between Tell Spółka Akcyjna (Issuer) and a OEX Spółka Akcyjna (Investor). The Agreement stipulated that the Investor shall guarantee (at his risk) that the results of the companies expressed as the total of EBITDA for Cursor S.A. and Divante Sp. z o.o. for 2015 should not be lower than PLN 6,300,000.00 (say: six million three hundred thousand Polish zlotys).

In case the total of EBITDA for both companies for the year 2015 is lower than PLN 6,300,000.00, then there should be an adjustment of mutual settlements of the transaction parties so that the issue price for the Investor's share would be adjusted *pro rata* to the relation between the total of EBITDA for the financial year 2015 and the amount of PLN 6,300,000.00.

Pursuant to IFRS 3, the conditional remuneration is recognised as at the takeover day (as part of the payment in exchange for the economic entity taken over) at fair value.

The issuer made the estimates concerning the fair value of the conditional remuneration as at the date of the control takeover over the subsidiaries and decided that there should be no adjustment of the remuneration for the acquired companies by the amount of conditional remuneration.

By the date of these abbreviated interim consolidated financial statements, the process of valuation of the fair value of the assets and liabilities taken over has not been completed. These values will be finally determined within 12 months after the takeover date.

The values of provisionally identified assets and liabilities of the taken over companies recognised in the abbreviated interim consolidated financial statements are as follows:

	Provisional fair value at the takeover date	
	Cursor S.A.	Divante Sp. z o.o.
Assets		
Intangible fixed assets	2,610	568
Tangible fixed assets	7,106	625
Deferred tax assets	1,121	70
Inventories	2,153	10
Receivables and loans	25,818	2,617
Accruals and prepayments	4,375	31
Fixed assets for trading		160
Cash	1,031	629

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

Total assets	44,215	4,709
Liabilities		
Deferred tax liabilities	194	87
Loans, credits, lease	18,905	579
Trade liabilities	9,834	693
Other liabilities	6,817	700
Total provisions	35,750	2,059
Net asset fair value	8,465	2,650
Payment for the entity taken over	17,405	3,216
Net assets attributable to the non-controlling interests	0	1,298
Goodwill (+) / Profit (-)	8,941	1,864

10. Goodwill

The change in the carrying amount of goodwill in periods covered by the abbreviated interim consolidated financial statements is presented in the table below:

	30/06/2015	30/06/2014	31/12/2014
Gross value			
As at period beginning	57,581	57,581	57,581
Business combination	10,804		
Sale of subsidiaries (-)			
Net exchange differences on conversion			
Other adjustments			
Gross value at period end	68,385	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 at period end	68,385	57,581	57,581

The goodwill presented in the assets of the consolidated statement of financial position concerns the acquisition of the following companies:

	30/06/2015	30/06/2014	31/12/2014
Taurus	1,202	1,202	1,202
Havo	20,096	20,096	20,096
Euro-Phone Sp. z o.o.	8,732	8,732	8,732
Solex	10,611	10,611	10,611
PTI Sp. z o.o.	10,061	10,061	10,061
Maksimum	6,879	6,879	6,879
Cursor S.A.	8,941		
Divante Sp. z o.o.	1,864		
Total goodwill	68,385	57,581	57,581

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

The tests for goodwill impairment are made on an annual basis (as at 31 December) and when there are indications of impairment. The tests for goodwill impairment and impairment of intangible asset impairment with unspecified useful life are made also when there are indications of possible impairment.

The Issuer's Management Board came to the conclusion that as at 30 June 2015 there were no indications of impairment of cash generating centres of groups of cash generating centres to which the goodwill and the intangible assets of unspecified useful life are assigned.

11. Information about material transactions of acquisition and disposal of 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 30/06/2015					
Net carrying amount as at 01/01/2015	1,050	1,173	2,662	32	4,917
Acquisition by a business combination	1,157	3,929	1,827	817	7,730
Increase (acquisition, production, lease)	481	143	888	1,050	2,563
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-7	-39	-61	-878	-984
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-351	-756	-381		-1,487
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2015	2,330	4,451	4,935	1,022	12,739
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					
Increase (acquisition, production, lease)	257	414	252	35	957
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 31/12/2014					
Net carrying amount as at 01/01/2014	1,033	1,059	2,276	33	4,400
Acquisition by a business combination					

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

Increase (acquisition, production, lease)	476	628	1,124	821	3,049
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-18	-116	-40	-821	-995
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-441	-398	-698		-1,537
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2014	1,050	1,173	2,662	32	4,917

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

	Trademarks	Programmes, licences	Other	In construction	Total
for the period from 01/01 to 30/06/2015					
Net carrying amount as at 01/01/2015		259	334		593
Acquisition by a business combination		557	887	1,735	3,179
Increase (acquisition, production, lease)	300	161	2,023	81	2,565
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)			-3		-3
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-8	-149	-159		-316
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2015	293	828	3,082	1,816	6,018
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					
Increase (acquisition, production, lease)		6			6
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)					
Revaluation to fair value (+/-)					
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 31/12/2014					
Net carrying amount as at 01/01/2014		392	387		779
Acquisition by a business combination					

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

Increase (acquisition, production, lease)		24	80		104
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)					
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)		-159	-133		-290
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2014		259	334		593

12. Information about material liabilities related to the purchase of tangible fixed assets

The Group does not have any material liabilities related to the purchase of tangible fixed assets.

13. Information about material settlements resulting from cases vindicated in court

Not applicable.

14. Indication of adjustments of errors of previous periods

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

15. Information about changes in the economic situation and business conditions which have material impact on the fair value of financial assets and financial liabilities of the company

There were no changes in the economic situation and business conditions which would have any impact on the fair value of financial assets and financial liabilities.

16. Information about a failure to repay a loan or credit or about a violation of material provisions of a loan or credit agreement

Not applicable.

17. Information about the execution by the company or its subsidiary of a single or more transactions with related parties, if such transactions, taken separately or together, are material and were made on conditions other than at arm's length

All transactions between the Group companies are at arm's length transactions.

18. In case of financial instruments carried at fair value - information about a change of the method of its determination

The way of determination of fair value of financial instruments did not change.

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

19. Information about a change in the classification of financial assets in consequence of a change of the purpose of utilisation of such assets

There were no reclassifications 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.

20. Information on the issue, redemption and repayment of non-share and equity securities

In the reporting half year, there were no issues, redemption or repayment of non-share and equity securities, with the exception of the issue by the Issuer and subscription by OEX S.A. 5 March 2015 of 1,777,692 shares in the issuer in accordance with the resolution of the General Meeting of Shareholders No. 3/2014 dated 18 December 2014. The registration of the above-mentioned capital increase by a registration court in Poznań took place on 23/04/2015.

21. Information on the dividends paid (or declared), in total and as divided per share, with a breakdown into ordinary and preferential shares

By the date of these statements, no dividend payment was made or declared.

22. Indication of events occurring after the date of these abbreviated interim consolidated financial statement which were not included in the statements and which could significantly influence the future financial results of the issuer;

In the period covered by these 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 interim consolidated financial statements do not comprise any significant events concerning the previous years.

23. Information on changes in contingent liabilities and contingent assets that occurred in the period after the end of the last financial year;

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

	30/06/2015	30/06/2014	31/12/2014
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			
To associated parties:			
Liability payment guarantee			

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE TELL S.A. GROUP

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	32,510	34,105	32,285
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	32,510	34,105	32,285
Total contingent liabilities	32,510	34,105	32,285

24. Information about material changes in estimates

No material changes in estimates.

25. Other significant changes in assets, liabilities, revenue and costs

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

SELECTED INTERIM FINANCIAL DATA OF TELL S.A.

SELECTED INTERIM FINANCIAL DATA OF TELL S.A.

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

	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014
	k PLN			k EUR		
Income statement						
Sale revenues	46,471	45,425	97,341	11,241	10,871	23,236
Operating profit (loss)	2,396	2,776	6,963	580	664	1,662
Profit (loss) before taxation	3,982	3,957	6,889	963	947	1,645
Net profit (loss)	3,569	3,355	5,533	863	803	1,321
Net profit (loss) - share of the shareholders of the Parent Company	3,569	3,355	5,533	863	803	1,321
Average weighted number of shares (items)	5,788 531	5,110 847	5,110 847	5,788 531	5,110 847	5,110 847
Earnings per share (PLN; EUR)	0.62	0.66	1.08	0.15	0.16	0.26
Diluted earnings per share (PLN; EUR)	0.62	0.66	1.08	0.15	0.16	0.26
Average exchange rate PLN / EUR in the period	x	x	x	4.1341	4.1784	4.1892
Cash Flow Statement	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014
Net cash flow from operating activity	3,415	2,604	2,203	826	623	526
Net cash flow from investing activity	-1,565	336	783	-379	80	187
Net cash flow from financial activity	-1,892	-1,749	-3,009	-458	-419	-718
Net change in cash and cash equivalents	-43	1,191	-23	-10	285	-6
Average exchange rate PLN / EUR in the period	x	x	x	4.1341	4.1784	4.1892
	30/06/2015	30/06/2014	31/12/2014	30/06/2015	30/06/2014	31/12/2014
	k PLN			k EUR		
Balance sheet						
Assets	109,169	89,583	92,426	26,027	21,530	21,685
Long-term liabilities	4,097	4,087	4,097	977	982	961
Short-term liabilities	25,089	26,772	32,537	5,982	6,434	7,634
Shareholder's equity	79,983	58,725	55,792	19,069	14,113	13,090
Equity - share of the parent company shareholders	79,983	58,725	55,792	19,069	14,113	13,090
PLN / EUR exchange rate at period end	x	x	x	4.1944	4.1609	4.2623

In the periods covered by these interim 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: 30/06/2015 4.1944 PLN/EUR, 30/06/2014 4.1609 PLN/EUR, 31/12/2014 4.2623 PLN/EUR,
- the average exchange rate in the period, calculated as an arithmetical average of exchange rates in force on the last day of each month in the given period: 01/01 - 30/06/2015 4.1341 PLN/EUR, 01/01 - 30/06/2014 4.1784 PLN/EUR, 01/01 - 31/12/2014 4.1892 PLN/EUR,
- the highest and the lowest exchange rate in force in each period: 01/01 - 30/06/2015 4.2081 and 4.0337 PLN/EUR, 01/01 - 30/06/2014 4.2368 and 4.1420 PLN/EUR, 01/01 - 31/12/2014 4.2623 and 4.1420 PLN/EUR.

SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.

ASSETS	30/06/2015	30/06/2014	31/12/2014
<i>Fixed assets</i>			
Goodwill	21,298	21,298	21,298
Intangible fixed assets	656	345	343
Tangible fixed assets	4,185	3,147	3,672
Investment properties			
Interests in subsidiaries	44,970	25,636	24,349
Interests in associates			
Receivables	412	353	348
Financial derivatives			
Other long-term financial assets			
Long-term prepayments		65	
Deferred income tax assets	310	465	314
Total fixed assets	71,832	51,308	50,325
<i>Current assets</i>			
Inventories	8,884	6,316	10,087
Receivables from building services contracts			
Trade Receivables and Other Receivables	21,162	23,080	25,281
Current tax assets			
Loans	6,742	6,982	6,282
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	389	479	248
Cash and cash equivalents	160	1,417	203
Fixed assets classified as held for sale			
Total current assets	37,337	38,275	42,101
Total assets	109,169	89,583	92,426

SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.

EQUITY AND LIABILITIES	30/06/2015	30/06/2014	31/12/2014
<i>Shareholder's equity</i>			
Share capital	1,378	1,022	1,022
Treasury shares (-)			
Share premium	45,129	24,862	24,863
Other Capitals	1,459	1,459	1,459
Retained profits:			
- retained profit (loss)	28,447	28,025	22,914
- net profit (loss)	3,569	3,355	5,533
Shareholder's equity	79,983	58,725	55,792
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Loans, credits, other debt instruments			
Financial lease			
Financial derivatives			
Other liabilities			
Deferred income tax liabilities	4,047	4,047	4,047
Employee benefit liabilities	50	40	50
Other long-term provisions			
Long-term prepayments			
Long-term liabilities	4,097	4,087	4,097
<i>Short-term liabilities</i>			
Trade liabilities and other liabilities	20,316	24,581	25,659
Current tax liabilities	121	299	578
Loans, credits, other debt instruments	2,234		4,036
Financial lease			
Financial derivatives			
Employee benefit liabilities	2,418	1,891	2,264
Other short-term provisions			
Short-term prepayments			
Liabilities related to fixed assets held for sale			
Short-term liabilities	25,089	26,772	32,537
Total provisions	29,186	30,859	36,634
Total equity and liabilities	109,169	89,583	92,426

SEPARATE STATEMENT OF PROFIT OR LOSS OF TELL S.A.

SEPARATE STATEMENT OF PROFIT OR LOSS OF TELL S.A.

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
<i>Continued activities</i>			
Sale revenues	46,471	45,425	97,341
Revenues from the sale of products			
Revenue from the sale of services	29,125	29,779	60,515
Revenue from the sale of goods and materials	17,346	15,646	36,826
Sale costs	39,282	37,543	81,084
Costs of products sold			
Costs of services sold	22,059	22,171	44,923
Cost of goods and materials sold	17,223	15,372	36,161
Gross profit (loss) on sales	7,189	7,882	16,257
Sale costs	1,817	1,968	3,875
Administration costs	2,988	2,795	5,583
Other operating income	211	24	928
Other operating expense	199	367	764
Profit (loss) on the sale of subsidiaries			
Operating profit (loss)	2,396	2,776	6,963
Financial income	2,261	1,584	2,469
Financial costs	675	404	2,543
Share in the profit (loss) of entities measured using the equity method (+/-)			
Profit (loss) before taxation	3,982	3,957	6,889
Income Tax	413	601	1,356
Net profit (loss) on continued activities	3,569	3,355	5,533
<i>Discontinued operations</i>			
Net profit (loss) on discontinued operations			
Net profit (loss)	3,569	3,355	5,533

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
<i>on continued operations</i>			
- basic	0.62	0.66	1.08
- diluted	0.62	0.66	1.08
<i>on continued and discontinued operations</i>			
- basic	0.62	0.66	1.8
- diluted	0.62	0.66	1.08

CHANGES IN THE PRESENTATION OF DATA IN THE STATEMENT OF PROFIT OR LOSS OF TELL S.A.

CHANGES IN THE PRESENTATION OF DATA IN THE STATEMENT OF PROFIT OR LOSS OF TELL S.A.

By virtue of decision of the Issuer's Management Board, new principles concerning the aggregation of own costs of services sold and the sale costs were implemented. The change does not influence the financial result of the adjusted period but will allow a better understanding of the financial statements, in particular in the context of the takeover of Cursor S.A. and Divante Sp. z o.o. (table below).

Separate financial statements of Tell S.A. for the period from 01/01 to 30/06/2014 before and after adjustment:

	from 01/01 to 30/06/2014 before adjustment	Adjustment	from 01/01 to 30/06/2014 after adjustment
Sale revenues	45,425		45,425
Revenue from the sale of services	29,779		29,779
Revenue from the sale of goods and materials	15,646		15,646
Sale costs	25,434	12,109	37,543
Costs of services sold	10,062	12,109	22,171
Cost of goods and materials sold	15,372		15,372
Gross profit (loss) on sales	19,991	-12,109	7,882
Sale costs	14,077	-12,109	1,968
Administration costs	2,795		2,795
Other operating income	24		24
Other operating expense	367		367
Operating profit (loss)	2,776	0	2,776

Separate financial statements of Tell S.A. for the period from 01/01 to 31/12/2014 before and after adjustment:

	from 01/01 to 31/12/2014 before adjustment	Adjustment	from 01/01 to 31/12/2014 after adjustment
Sale revenues	97,341		97,341
Revenue from the sale of services	60,515		60,515
Revenue from the sale of goods and materials	36,826		36,826
Sale costs	56,517	24,567	81,084
Costs of services sold	20,356	24,567	44,923
Cost of goods and materials sold	36,161		36,161
Gross profit (loss) on sales	40,824	-24,567	16,257
Sale costs	28,442	-24,567	3,875
Administration costs	5,583		5,583
Other operating income	928		928
Other operating expense	764		764
Operating profit (loss)	6,963	0	6,963

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Net profit (loss)	3,569	3,355	5,533
<i>Other comprehensive income</i>			
<i>Items not carried as financial profit or loss</i>			
Revaluation of tangible assets			
Income tax referred to items not carried as financial profit or loss			
<i>Items carried as financial profit or loss</i>			
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 transferred to the financial result - sale of foreign operations			
Share in the other comprehensive income of entities measured using the equity method			
Income tax referred to items carried as financial profit or loss			
Other comprehensive income after taxation			
Comprehensive income	3,569	3,355	5,533

SEPARATE STATEMENT OF CHANGES IN EQUITY OF TELL S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY OF TELL S.A.

	Equity - share of the parent company shareholders					
	Share capital	Treasury shares	Share premium	Other capitals	Retained profits	Total
As at 01/01/2015	1,022		24,863	1,459	28,447	55,792
Changes in accounting policies						
Adjustment of fundamental errors						
Balance after changes	1,022		24,863	1,459	28,447	55,792
Changes in equity in the period from 01/01 to 30/06/2015						
Purchase of shares						
Issue of shares	336		20,266			20,621
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	336		20,266			20,621
Net profit for the period from 01/01 to 30/06/2015					3,569	3,569
Other comprehensive income after taxation in the period from 01/01 to 30/06/2015						
Total comprehensive income					3,569	3,569
Transfer to retained profits (sale of revalued fixed assets)						
As at 30/06/2015	1,378		45,129	1,459	32,017	79,983

SEPARATE STATEMENT OF CHANGES IN EQUITY OF TELL S.A.

	Equity - share of the parent company shareholders					
	Share capital	Treasury shares	Share premium	Other capitals	Retained profits	Total
As at 01/01/2014	1,022		24,862	1,459	28,025	55,369
Changes in accounting policies						
Adjustment of fundamental errors						
Balance after changes	1,022		24,862	1,459	28,025	55,369
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					3,355	3,355
Other comprehensive income after taxation in the period from 01/01 to 30/06/2014						
Total comprehensive income					3,355	3,355
Transfer to retained profits (sale of revalued fixed assets)						
As at 30/06/2014	1,022		24,862	1,459	31,380	58,725

Equity - share of the company shareholders

SEPARATE STATEMENT OF CHANGES IN EQUITY OF TELL S.A.

	Share capital	Treasury shares	Share premium	Other capitals	Retained profits	Total
As at 01/01/2014	1,022		24,863	1,459	28,025	55,369
Changes in accounting policies						
Adjustment of fundamental errors						
Balance after changes	1,022		24,863	1,459	28,025	55,369
Changes in equity in the period from 01/01 to 31/12/2014						
Purchase of shares						
Redemption of shares						
Option measurement (share-based payment programme)						
Changes in the Company's structure (transactions with non-controlling parties)						
Dividends					-5,111	-5,111
Financial result recognised as equity						
Total transactions with shareholders					- 5,111	-5,111
Net profit for the period from 01/01 to 31/12/2014					5,533	5,533
Other comprehensive income after taxation in the period from 01/01 to 31/12/2014						
Total comprehensive income					5,533	5,533
Transfer to retained profits (sale of revalued fixed assets)						
As at 31/12/2014	1,022		24,863	1,459	28,447	55,792

SEPARATE CASH FLOW STATEMENT OF TELL S.A.

SEPARATE CASH FLOW STATEMENT OF TELL S.A.

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Cash flow from operating activity			
Profit (loss) before taxation	3,982	3,957	6,889
<i>Adjustments:</i>			
Depreciation of tangible fixed assets	528	497	1,032
Change in the fair value of investment properties	96	79	160
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			
Impairment loss on financial assets			1,287
Profit (loss) on the sale of non-financial fixed assets	37	-1	-2
Exchange difference gains/losses			
Interest expense			
Interest and dividend income	90	96	291
Cost of share-based payments (incentive programmes)	-2,261	-1,584	-2,469
Share in the profit (loss) of associate companies			
Other adjustments			
Total adjustments	-1,510	-913	299
Change in inventories	1,203	1,245	-2,525
Change in receivables	5,934	2,570	374
Change in liabilities	-5,430	-1,835	-72
Change in provisions and prepayments	-141	-620	-638
Change in building contracts			
Changes in working capital	1,567	1,360	-2,861
Inflows (outflows) from the settlement of derivatives			
Interest paid on operating activities			
Taxes paid	-625	-1,800	-2,124
Net cash flow from operating activity	3,415	2,604	2,203

SEPARATE CASH FLOW STATEMENT OF TELL S.A.

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
Cash flow from investing activity			
Expenses to purchase fixed assets	-1,534	-870	-2,066
Inflows from the sale of fixed assets	47	22	78
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		4,150	8,350
Loans granted	-460	-4,550	-8,050
Expenses to purchase other financial assets			
Inflows from the sale of other financial assets			
Inflows from government subsidies received			
Interest income	228	307	655
Dividend income	153	1,278	1,814
Net cash flow from investing activity	-1,565	336	783
Cash flow from financial activity			
Net inflows from the issue of shares			
Purchase of treasury shares			
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			2,383
Repayment of loans and advances	-1,802	-1,653	
Repayment of financial lease liabilities			
Interest paid	-90	-96	-291
Dividends paid			-5,100
Net cash flow from financial activity	-1,892	-1,749	-3,009
Net change in cash and cash equivalents	-43	1,191	-23
Cash and cash equivalents at period beginning	203	226	226
Exchange differences			
Cash and cash equivalents at period end	160	1,417	203

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

26. Declaration of the Management Board of the Issuer

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 Issuer hereby states and declares that, to the best of its knowledge, these interim financial statements and comparable data have been prepared in accordance with the accounting policies binding on the Company 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 half-yearly 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 interim separate 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 2015 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.

27. Information on the impairment of inventories to the net realisable value and reversal of impairment charge

Impairment of inventories:

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
As at period beginning	326	820	820
Loss expensed as cost in the period			
Reversal of impairments in the period (-)			-494
Other changes (net exchange differences on conversion)			
At period end	326	820	326

28. Information about impairment of financial assets or other assets and on the reversal of impairment charges

Impairment of receivables and loans:

	from 01/01 to 30/06/2015	from 01/01 to 30/06/2014	from 01/01 to 31/12/2014
As at period beginning	4,089	3,907	3,907
Loss expensed as cost in the period	4	264	282

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

Reversal of impairments carried as revenue in the period			-24
Provisions used			-79
Increase by business			
At period end	4,093	4,171	4,089

29. Information on the creation, increase, utilisation and write-back of provisions

The value of provisions recognised in the abbreviated interim 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	Payroll costs	Other costs	Other benefits	Total
for the period from 01/01 to 30/06/2015						
As at period beginning	50	588				588
Provision increase carried as expense in the period						
Provision increase carried as income in the period (-)						
Utilisation of provisions (-)						
Increase in result of business combination						
Other changes (net exchange differences on conversion)						
Provisions as at 30/06/2015	50	588				588
for the period from 01/01 to 30/06/2014						
As at period beginning	40	679	660			1,339
Provision increase carried as expense in the period						
Provision increase carried as income in the period (-)			-428			-428
Utilisation of provisions (-)						
Increase in result of business combination						
Other changes (net exchange differences on conversion)						
Provisions as at 30/03/2014	40	679	232			912
for the period from 01/01 to 31/12/2014						
As at period beginning	40	679	660			1,339
Provision increase carried as expense in the period	10					
Provision increase carried as income in the period		-92	-660			-752
Provisions utilised						
Business combination change						
Other changes (net exchange differences on conversion)						
Provisions as at 31/12/2014	50	588	0			588

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

30. Information about deferred tax assets and liabilities

	30/06/2015	30/06/2014	31/12/2014
As at period beginning:			
Deferred income tax assets	314	537	537
Deferred income tax liabilities	4,047	4,047	4,047
Deferred tax at period beginning			
Change in the period influencing:			
Result (+/-)	-4	-73	-223
Other comprehensive income (+/-)			
Deferred tax at period end			
Deferred income tax assets	310	353	314
Deferred income tax liabilities	4,047	4,047	4,047

31. Information about material transactions of acquisition and disposal of 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 30/06/2015					
Net carrying amount as at 01/01/2015	809	831	2,003	29	3,672
Acquisition by a business combination					
Increase (acquisition, production, lease)	214		856	869	1,939
Sale of a subsidiary (-)					
Decrease (disposal, liquidation, reclassification) (-)	-5	-33	-48	-812	-898
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-178	-138	-212		-528
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2015	840	660	2,600	85	4,185
for the period from 01/01 to 30/06/2014					
Net carrying amount as at 01/01/2014	737	657	1,392	9	2,794
Acquisition by a business combination					
Increase (acquisition, production, lease)	244	414	198	10	866
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-5	-11			-16
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-167	-122	-208		-497
Impairment loss (-)					
Reversal of impairment charges					

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2014	810	936	1,382	19	3,147
for the period from 01/01 to 31/12/2014					
Net carrying amount as at 01/01/2014	737	657	1,392	9	2,794
Acquisition by a business combination					
Increase (acquisition, production, lease)	422	496	1,043	782	2,744
Sale of a subsidiary (-)					
Decrease (disposal, liquidation, reclassification) (-)	-5	-67		-762	-834
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-346	-254	-432		-1,032
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2014	809	831	2,003	29	3,672

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

	Trademarks	Programmes, licences	Other	In construction	Total
for the period from 01/01 to 30/06/2015					
Net carrying amount as at 01/01/2015		50	294		343
Acquisition by a business combination					
Increase (acquisition, production, lease)	300	108			408
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)					
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-8	-24	-64		-96
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2015	293	134	230		656
for the period from 01/01 to 30/06/2014					
Net carrying amount as at 01/01/2014		84	340		424
Acquisition by a business combination					
Increase (acquisition, production, lease)					
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)					
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)		-22	-57		-79
Impairment loss (-)					
Reversal of impairment charges					

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/06/2014		62	283		345
for the period from 01/01 to 31/12/2014					
Net carrying amount as at 01/01/2014		84	340		424
Acquisition by a business combination					
Increase (acquisition, production, lease)		9	70		79
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)					
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)		-44	-116		-160
Impairment loss (-)					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2014		50	294		343

32. Information about material liabilities related to the purchase of tangible fixed assets

The Company does not have any material liabilities related to the purchase of fixed assets.

33. Information about material settlements resulting from cases vindicated in court

Not applicable.

34. Indication of adjustments of errors of previous periods

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

35. Information about changes in the economic situation and business conditions which have material impact on the fair value of financial assets and financial liabilities of the company

There were no changes in the economic situation and business conditions which would have any impact on the fair value of financial assets and financial liabilities.

36. Information about a failure to repay a loan or credit or about a violation of material provisions of a loan or credit agreement

There were no such situations.

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

37. Transactions with related parties

Below are presented transactions with related parties recognised in the abbreviated separate financial statements:

	Interest income			Revenue from operating activities			Receivables		
	01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014	From 01/01 to 30/06/2015	From 01/01 to 30/06/2014	From 01/01 to 31/12/2014
Sales to:									
The parent company									
A subsidiary	228	306	643	541	255	549	159		
An associate									
A joint venture									
Key management personnel									
Other related parties									
Total	228	306	643	541	255	549	159		

There were no impairment charges on receivables from related parties, therefore no costs on this account were recognised in the financial statement.

	30/06/2015		30/06/2014		31/12/2014	
	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance
Loans granted:						
The parent company						
A subsidiary	460	6,742	4,550	6,982	8,050	6,282
An associate						
A joint venture						
Key management personnel						
Other related parties						
Total	460	6,742	4,550	6,982	8,050	6,282

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

38. In case of financial instruments carried at fair value - information about a change of the method of its determination

The way of determination of fair value of financial instruments did not change.

39. Information about a change in the classification of financial assets in consequence of a change of the purpose of utilisation of such assets

There were no reclassifications 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.

40. Indication of events occurring after the date of these abbreviated interim separate financial statement which were not included in the statements and which could significantly influence the future results of the issuer;

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

41. Information on changes in contingent liabilities and contingent assets that occurred in the period after the end of the last reporting period

	30/06/2015	30/06/2014	31/12/2014
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			
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	29,810	28,185	29,585
Guarantees originated			
Guarantees originated in relation with the building services contracts			

SUPPLEMENTARY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS OF TELL S.A.

Disputed cases and cases in court			
Disputed cases and cases in court related to the IRS			
Other Contingent Liabilities			
Total other parties	29,810	28,185	29,585
Total contingent liabilities	29,810	28,185	29,585

42. Information about material changes in estimates

No other material changes in estimates.

43. Other significant changes in assets, liabilities, revenue and costs

There were no significant changes in assets, liabilities, revenue and costs.

APPROVAL FOR PUBLICATION

APPROVAL FOR PUBLICATION

The abbreviated interim consolidated financial statements and the separate financial statements made for the period of 6 months ended on 30/06/2015 (including comparable data) have been approved for publication by the Parent Company's Management Board on 17 August 2015.

Signatures of all Management Board Members:

Data	Name and surname	Position	Signature
17 August 2015	Rafał Stempniewicz	President of the Management Board	
17 August 2015	Stanisław Górski	Member of the Management Board	
17 August 2015	Robert Krasowski	Member of the Management Board	
17 August 2015	Artur Wojtaszek	Member of the Management Board	

Signature of the person responsible for the preparation of the financial statements

Data	Name and surname	Position	Signature
17 August 2015	Jolanta Stachowiak	Chief Accountant	

TELL S.A. GROUP

REPORT ON THE ACTIVITIES OF THE GROUP IN THE FIRST HALF OF 2015

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

1. Description of the organisation of the issuer's group and indication of consolidated entities

The Tell S.A. Group comprises Tell S.A., which is the parent company, and the companies presented in the table below:

Name of the Company	Registered office	% of shares/participations held
		directly controlled
Euro-Phone Sp. z o.o.	ul. Puławska 40a, 05-500 Piaseczno	100
PTI Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
Cursor S.A.	ul. Równoległa 4A, 02-235 Warszawa	100
Divante Sp. z o.o.	ul. Kościuszki 14, 50-038 Wrocław	51.03
Toys4Boys Pl. Sp. z o.o.	ul. Nowy Świat 11B, 80-299 Gdańsk	30
Connex Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100

The Companies: Cursor S.A., and Divante Sp. z o.o., entered the issuer's group on 05/03/2015.

The following companies are subject to consolidation:

Euro-Phone Sp. z o.o.

PTI Sp. z o.o.

Cursor S.A. (since 01/03/2015)

Divante Sp. z o.o. (since 01/03/2015)

The companies: Toys4Boys.pl Sp. z o.o. and Connex Sp. z o.o. are not subject to consolidation and Tell S.A. made 100% impairment charges on the shares in those companies.

The structure of the Group slightly changed when compared to the state presented in the quarterly statements for the first quarter of 2015. In order to sort out the organisational structure and to ensure cost optimization, on 25 and 26 May 2015, Divante Sp. z o.o. sold its 58.80% of shares in Ideacto Sp z o.o. and 50.94% of shares in Sendingo Sp. z o.o. The sale of shares in the above-mentioned companies did not impact the scope of market offering of Divante Sp. z o.o., its customer base and the financial forecasts. The value of the share sale transaction amounted to kPLN 350, and the profit to kPLN 190. The above-mentioned companies were not consolidated due to their immateriality.

2. Indication of consequences of changes in the structure of the entity, including the resulting mergers, take-overs or sales of the issuer's group companies, long-term investments, divisions, restructuring or business discontinuations;

On 5 March 2015, in result of the acquisition of shares in Cursor S.A. and Divante Sp. z o.o., the Issuer's Group diversified its business. This will allow, in the subsequent quarters, to restrict to a significant extent the dependence of its financial results on the situation on the mobile phone market and conditions of cooperation with the network operators - Orange, T-Mobile and Plus.

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

In result of the above-mentioned takeover, the levels of consolidated assets, liabilities, revenues and costs of the Issuer's Group changed considerably. The impact of the takeover on the most important items of the consolidated financial statements as at 30/06/2015 is presented in the table below.

	Total Group	Cursor S.A. + Divante Sp. z o.o.	Share % Cursor and Divante
Assets, including:	185,161	62,210	34
- including goodwill	68,385	10,804	16
Liabilities	102,786	49,937	49
Total income	156,570	49,483	32
Total costs	151,305	47,288	31

At the same time, in consequence of the issue of 1,777,692 shares subscribed by OEX S.A. in relation with the acquisition by Tell S.A. of shares in Cursor S.A. and Divante Sp. z o.o. (registered by the court on 23 April 2015), the total number of shares and the voting structure at the general meeting of shareholders of Tell S.A. changed.

Shareholding structure and votes at the general meeting of shareholders of Tell S.A. before the issue of shares for OEX S.A.

Type of shares	Number of shares	Percentage of share	number of votes	Share in votes
ordinary bearer	3,729,535	72.97%	3,729,535	57.45%
registered, preferential in terms of votes	1,381,312	27.03%	2,762,624	42.55%
Total	5,110,847	100%	6,492,159	100%

Shareholding structure and votes at the general meeting of shareholders of Tell S.A. after the issue of shares for OEX S.A.

Type of shares	Number of shares	Percentage of share	number of votes	Share in votes
ordinary bearer	5,507,227	79.95%	5,507,227	66.59%
registered, preferential in terms of votes	1,381,312	20.05%	2,762,624	33.41%
Total	6,888,539	100%	8,269,851	100%

3. Description of significant achievements of failures of the issuer in the reporting period

Performance of the Investment Agreement with OEX S.A.

The most important event concerning the Issuer in the first half of 2015 was the execution and performance of the investment agreement dated 21 November 2014 between Tell S.A. and OEX S.A. concerning the acquisition by Tell S.A. of:

163,517,500 (say: one hundred and sixty-three million five hundred and seventeen thousand five hundred) ordinary shares of the nominal value of PLN 0,01 (say: one Polish groszy) each, in the share capital of Cursor S.A. (*Polish joint stock company*) with registered office in Warsaw, at ul. Równoległa 4A (02-235 Warszawa), entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000338509, constituting

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

the total of 100% of the share capital of the said company and entitling to the same percentage of votes at the general meeting of shareholders of the said company, for the total value of PLN 36,800,000.00

- 592 (say: five hundred and ninety-two) shares of the nominal value of PLN 50.00 (say: fifty Polish zlotys) each, in the share capital of Divante Sp. z o.o. with registered office in Wrocław, at ul. Kościuszki 14 (50-038 Wrocław), entered into the Register of Entrepreneurs of the National Court Register maintained by the District Court for Wrocław-Fabryczna in Wrocław, VI Commercial Division of the National Court Register, under number KRS: 0000313348, constituting the total of 51.03% (after rounding up) of the share capital of the said company and entitling to the same percentage of votes at the general meeting of shareholders of the said company, for the total value of PLN 6.800.000

The above-mentioned shares constituted the contribution in kind made by OEX S.A. to subscribe 1,777,692 shares of the issuer pursuant to Resolution of the Extraordinary General Meeting of Shareholders No. 3/2014 dated 18 December 2014 at the issue price of PLN 13.00 (say: thirteen Polish zlotys) per share, i.e. for the total issue price of PLN 23,109,996.00 (say: twenty-three million one hundred and nine thousand nine hundred and ninety-six Polish zlotys).

Result summary

In the first half of 2015, the revenue from the sale in the TELL S.A. Group amounted to kPLN 155,643 and was higher by 28.6% than in the corresponding period of previous year.

The operating profit for the first half of 2015 amounted to kPLN 6,055 and was higher by 32.3% than in the corresponding period of previous year.

EBITDA of the first half of 2015 amounted to kPLN 7,858 and was higher by 43.7% than in the corresponding period of the previous year.

The net profit of the first half of 2015 was kPLN 4,058 and was higher than in the corresponding period of the previous year by 31.0% (whereby the net profit attributable to the shareholders of the Parent Company amounted to kPLN 3,604).

The achieved levels of the above-presented data contain values resulting from the consolidation of Cursor S.A. and Divante Sp. z o.o., i.e. the values achieved by them in the period from March to June 2015. The highest share in the total operating result of the Group after the first half of 2015 was held by the segment Retail Sale Network Management – 65% (kPLN 4,036). At the same time, the result is almost 12% lower than in the corresponding period of 2014. The remaining 35% of the operating profit was generated by new segments, created after the takeover of Cursor S.A. and Divante Sp. z o.o., whereby the share of the Sale Support segment amounted to 22.4% (kPLN 1,380), and the E-business segment to 12.6% (kPLN 783).

At the level of EBITDA, the above structure is as follows:

- Retail sale network management segment – 61.9% (kPLN 4,955). At the same time, the result is 9.4% lower than in the corresponding period of 2014.
- Sale support segment – 24.7% (kPLN 1,977);
- E-business segment – 13.4% (kPLN 1,069).

In accordance with the assumptions of the Issuer's Management Board, the share of new segments in subsequent quarters should gradually increase. This concerns in particular the E-business segment.

The takeover of Cursor S.A. and Divante Sp. z o.o. also resulted in the considerable growth in assets and liabilities in the consolidated balance sheet of the Group – by over 57% y/y. At the same time, the

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

structure of the balance sheet changed considerably, mainly due to the specific character of the business of acquired companies (B2B segment services). The prevailing part of assets are now the current assets (50.7% vs 43.8% in 2014), which grew by over 82% when compared to 30/06/2014. This growth is mainly the consequence of the growth in short-term receivables, whose share in the asset structure went up from 34.1% to 39.4%. Similarly, at the equity&liabilities side, the highest share constitute liabilities, and in particular short-term liabilities, which grew by over 73%, achieving the level of 48.1% in the structure of equity&liabilities (vs 42.7% as at 30/06/2014).

The specific character of the service activities in the new segments consists in the fact that, without limitation, the operating costs result to a considerable extent from various forms of personnel costs, with regard to which one can hardly talk about extended terms of payment, while the revenues are generated from corporate clients with considerable bargaining power, which, in turn, force relatively longer payment terms. This situation results in the considerable share of interest liabilities (working capital loans, factoring) in the structure of current asset financing when compared to the previous operating model of the Group. The Group's total interest liabilities as at 30/06/2015 amounted to kPLN 27,580, which constitutes 14.9% of the total of equity&liabilities (vs kPLN 6,518, 5.5% of the total equity&liabilities in the corresponding period of the previous year). The short term debt of the Group as at 30/06/2015 amounted to kPLN 24,598, which constitutes 27.6% of the total of equity&liabilities (vs kPLN 6,518, 13.0% of the total short-term liabilities in the corresponding period of the previous year).

Value of the sale network of the retail sale network management segment

Number of stores as at the end of the reporting half year

	as at 30/06/2015	as at 30/06/2014	change y/y in pcs.	change 2015/2014
Orange network stores	152	170	-18	89.4%
T-Mobile network stores	81	89	-8	91.0%
Plus network stores	77	83	-6	92.8%
Total stores	310	342	-32	90.6%

Average number of stores in the reporting half year

	average in the period from 01/01. to 30/06/2015	average in the period from 01/01. to 30/06/2014	change y/y in pcs.	change 2015/2014
Orange network stores	153.3	171.7	-18.3	89.3%
T-Mobile network stores	81.0	89.0	-8.0	91.0%
Plus network stores	77.3	83.0	-5.7	93.2%
Total stores	311.7	343.7	-32.0	90.7%

Revenue volumes and breakdown - the retail sale network management segment

	01/01 to 30/06/2015	01/01 to 30/06/2014	change 2015/2014
Revenue from the sale of telecommunication services	46,438	47,612	97.5%

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

Sets and pre-paid refillments	7,377	8,240	89.5%
Postpaid contract phones	47,801	60,319	79.2%
Other revenue	5,738	4,888	117.4%
Total	107,354	121,060	88.7%

Service sale volume	01/01 to 30/06/2015	01/01 to 30/06/2014	change 2015/2014
Postpaid activations	242,519	270,058	89.8%
Prepaid activations	50,544	55,370	91.3%
Total	293,063	325,428	90.1%

4. Description of factors and events, in particular extraordinary ones, having a significant influence on the financial results achieved

Before the takeover of Cursor S.A. and Divante Sp. z o.o. on 5 March 2015, there were no other factors and events which may have a significant impact on the financial results.

5. Statement of the Management Board concerning the possibility of achieving the earlier published forecasts of results for the given year in the light of results presented in the half-yearly statements (as compared to the forecasts)

On 10/06/2015 the Management Board published a forecast of results for 2015, which comprised the following amounts (ongoing report No. 21/2015):

1. Consolidated revenue of the Group – in the amount of PLN 315.04 million,
2. Consolidated operating profit of the Group – in the amount of PLN 15.83 million,
3. Consolidated EBITDA of the Group – in the amount of PLN 19.66 million,
4. Consolidated net profit of the Group – in the amount of PLN 10.50 million.

The issuer monitors the possibilities ensuring the forecast performance as planned on an ongoing basis, analysing the activation volumes, the sale network size and the commission systems (in the Retail Sale Network Management segment) as well as the contracts executed and the extent of performance of infrastructure extension plans, the service provision possibilities and the cost optimisation (in the Sale Support and E-business segments).

In the light of the results published in these half-yearly statements and the data available as at the publication date, the Issuer's Management Board fully supports the forecast made.

6. Indication of shareholders holding, directly or indirectly through subsidiary entities, at least 5% of total votes at the general meeting of shareholders of the issuer as at the date of publication of the mid-year statements, indication of the number of shares held, their percentage of share capital, number of votes resulting and percentage of total votes at the general meeting of shareholders and indication of changes in the structure of significant blocks of shares in the issuer in the period from the publication of the previous quarterly statements;

As at the date of presentation of the report for the first half of 2015, the share capital of the Company amounted to PLN 1,377,707.80 (in 2014: PLN 1,022,169.10) and was divided into:

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

1,381,312 registered series A preferential shares, the preference entitling to two votes from one share;
3,729,535 ordinary bearer shares - issued as series A and B shares;
1,777,692 ordinary series C bearer shares.

All shares equally participate in the dividend distribution. The shares are divided into ordinary bearer shares, which entitle to one vote at the General Meeting of Shareholders, and preferential shares, where 1 preferential share entitle to two votes.

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at the date of the publication of the statements for the first half of 2015.				
Shareholder	Total shares	Total votes	Share capital held	% of votes
Neo Investment S.A. - indirectly, including by:	1,624,584	2,846,288	23.58%	34.42%
- Neo Fund 1 Sp. z o.o.	1,418,840	2,640,544	20.60%	31.93%
OEX Spółka akcyjna	1,777,692	1,777,692	25.81%	21.50%
Quercus Parasolowy SFIO and Quercus Absolute Return FIZ	811,013	811,013	11.77%	9.81%
AVIVA Investors FIO, AVIVA Investors SFIO*	458,549	458,549	6.59%	7.42%
Waldemar Ziomek	453,648	613,256	6.59%	7.42%
Total	5,125 486	6,506 795	74.33%	80.57%

* number of shares from which the AVIVA Funds were authorised to participate in the General Meeting of Shareholders on 23/06/2015

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at the date of the publication of the statements for the first quarter of 2015.				
Shareholder	Total shares	Total votes	Share capital held	% of votes
Neo Investment S.A. - indirectly, including by:	1,624,584	2,846,288	23.58%	34.42%
- Neo Fund 1 Sp. z o.o.	1,418,840	2,640,544	20.60%	31.93%
- Emir 80 Sp. z o.o.	205,744	205,744	2.98%	2.49%
OEX Spółka akcyjna	1,777,692	1,777,692	25.81%	21.50%
Quercus Parasolowy SFIO and Quercus Absolute Return FIZ	811,013	811,013	11.77%	9.81%
AVIVA Investors FIO, AVIVA Investors SFIO*	657,672	657,672	9.55%	7.95%
Waldemar Ziomek	453,648	613,256	6.59%	7.42%
Total	5,324,609	6,705,921	77.29%	81.10%

** number of shares held by Funds represented at the Ordinary General Meeting of Shareholders on 28/04/2011.

The above statements were made in the basis of information given to the Company by the shareholders, in particular in the form of notifications about considerable blocks of shares, taking into account changes in the amount and structure of the Company's share capital, including changes related to the share issue, division, conversion or redemption.

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

7. List of issuer's shares and entitlements thereto held by persons managing or supervising the issuer upon the date of the publication of the half-yearly statements, indication of changes thereto in the period from the publication of the previous statement, separately for each such person

List of shares held by persons managing or supervising the issuer as at the date of publication of this report for the first half of 2015.

	Total shares	Total votes	Share capital held	% of votes
Members of the Supervisory Board				
Paweł Turno	30,000	30,000	0.44%	0.36%
Piotr Cholewa	52,816	52,816	0.77%	0.64%
Management Board				
Rafał Stempniewicz	94,590	94,590	1.37%	1.14%
Stanisław Górski	2,319	2,319	0.03%	0.03%
Robert Krasowski	4,924	4,924	0.07%	0.06%
Artur Wojtaszek	13,000	13,000	0.16%	0.19%

List of shares held by persons managing or supervising the issuer as at the date of publication of this report for the first quarter of 2015.

	Total shares	Total votes	Share capital held	% of votes
Members of the Supervisory Board				
Paweł Turno	30,000	30,000	0.44%	0.36%
Piotr Cholewa	52,816	52,816	0.77%	0.64%
Management Board				
Rafał Stempniewicz	94,590	94,590	1.37%	1.14%
Stanisław Górski	2,319	2,319	0.03%	0.03%
Robert Krasowski	4,924	4,924	0.07%	0.06%

8. Indication of court, arbitration or public administration proceedings

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.

9. Information about the execution by the company or its subsidiary of a single or more transactions with related parties, if such transactions, taken separately or together, are material and were made on conditions other than at arm's length

All transactions between the Group companies are at arm's length transactions.

10. Information on the grant by the issuer or its subsidiary of a loan collateral or guarantee to one entity or subsidiary of such entity (jointly) if the total value of the existing collaterals or guarantees is equivalent to at least 10 % of the issuer's equity

Not applicable.

11. Other information, which in the issuer's opinion is important for the assessment of its personnel, economic, financial position and the financial result, as well as changes thereto; information that is important for the assessment of the issuer's obligation discharge possibilities

The statements contain basic information which is important for the assessment of the situation of the Tell S.A. Group, whereby, for the correct interpretation of the separate and consolidated financial results obtained by the companies: Tell S.A., Euro Phone Sp. z o.o. and PTI Sp. z o.o. it is necessary to explain different ways of recognition in the books of the companies of subsidies 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 the Orange network operator. This system was changed in March 2013. Currently, the Company Euro-Phone Sp. z o.o. receives phones from the Operator as held in trust and has 45 days 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.

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, the Company shows much higher revenues and costs than other Group companies (cooperating with mobile phone operators) in similar transactions.

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 PTI Sp. z o.o. 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 revenues from the sale and high costs of sale when compared to other Group companies cooperating with mobile phone operators).

Besides the separate subsidy recording and settlement methods related to subscription phones under the agreements with particular operators and besides the acquisition of shares in Cursor S.A. and Divante Sp. z o.o. as described in this report, the Issuer does not identify any information which, in the issuer's opinion, would be material for the assessment of its personnel, economic or financial situation, the financial result or the possibility to discharge its obligations.

12. Indication of factors which, in the issuer's opinion, will have an influence on its results within the perspective of at least next half year

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

The basic factors that will impact the performance of the Tell S.A. Group in the second half year of 2015 are as follows:

12.1 Demand for mobile phone services, allowing for, in particular:

seasonality;
promotional actions planned by mobile phone operators;
level of performance of sale plans imposed on the Group companies by operators.

12.2 Uninterrupted performance of contracts made so far in the segments Sale Support and E-Business as well as acquisition of new contracts as per the internal plans:

12.3 Consolidation of Cursor S.A. and Divante Sp. z o.o.

In relation with the takeover of the above-mentioned companies, the Issuer's Management Board expects further considerable increases in revenues, costs and particular levels of the financial result when compared to the comparable periods of 2014.

12.4 The sale network downsizing plan announced by T-Mobile Polska

By the end of this year, the T-Mobile operator intends to downsize the network of agency stores by approximately 40%. The issuer's subsidiary – Euro-Phone Sp. z o.o. estimates that in its case, approximately 26 stores will be closed, which amounts to 32% of the network as at the end of this half year. The shutdowns were planned to take place in the period from the end of June this year to the end of December this year. At the same time, Euro-Phone Sp. z o.o. assumes that the fall in the revenues and the performance in consequence of the store shutdown will be significantly lower than the percentage of the stores shut due to the fact that those stores generate revenues and performance much worse than the average for the entire network. Additionally, based on the operator's declarations, Euro-phone Sp. z o.o. expects a real growth in the revenue per store, i.e. higher than that resulting from the shutdown of stores with revenues below the average. Irrespective of the above, Euro-phone Sp. z o.o. undertook consolidation-aimed measures as mentioned below.

12.5 Performance of the agreement dated 24 April 2015 by Euro-Phone Sp. z o.o. - issuer's subsidiary (ongoing report 13/2015)

Pursuant to the above-mentioned agreement, the subsidiary acquired the rights to the total of 23 locations with T-Mobile's authorisation. The remuneration for the transfer of rights and obligations was agreed to be PLN 2,000,000 plus VAT. The transfer of rights and future obligations under the representative contracts and cooperation contracts took place as planned - on 30 June 2015. Euro-phone Sp. z o.o. expects that in result of that transaction the size of its sale network will remain comparable to the one in 2014 but its financial performance will be higher than assumed before the network downsizing plan was announced by T-Mobile, and especially in relation with the results assuming the network downsizing and no consolidation at all. The price for the acquired network was determined on the basis of the store downsizing plans as announced by T-Mobile.

13. Main factors determining the Issuer's changes for development, risks and threats.

REPORT ON THE ACTIVITIES OF THE TELL S.A. GROUP

The basis factor determining the Group's development changes in the future is the business diversification made. Owing to the take-over of Cursor S.A. and Divante Sp. z o.o., the group obtained growth potential in areas that, on the one hand, are complementary to its existing business, and, on the other hand, are not subject to contractual limitations as to the selection of lines of strategic development and the scale of operations.

Main risk factors are:

- Risk related to the macroeconomic situation of Poland;
- Dependence on mobile phone operators of particular Group companies;
- Change of sale strategy by mobile phone operators
- Growth in importance of other service sale channels among mobile phone operators (call centres, Internet);
- Possibilities to terminate agency contracts by operators;
- Loss of competitive position for operators in the context of results of particular Group companies;
- The risk of slowdown on the market of sale support and e-business
- Risk related to the possible reduction by the FMCG sector companies of their budgets for promotions in the form of tasting, event organization, animation etc.;
- Risk of the takeover by the large surface store stores of responsibility for the merchandising activity organisation process;
- Risk of price pressure on the part of clients, especially international concerns, whose scale of business significantly exceeds the scale of business of the TELL Group.
- Risk of delays in the payment of amounts due from clients, which increases the need for working capital financing;

Signatures of Members of the Management Board of Tell S.A.

Data	Name and surname	Position	Signature
17 August 2015	Rafał Stempniewicz	President of the Management Board	
17 August 2015	Stanisław Górski	Member of the Management Board	
17 August 2015	Robert Krasowski	Member of the Management Board	
17 August 2015	Artur Wojtaszek	Member of the Management Board	