

TELL S.A. GROUP

CONSOLIDATED REPORT FOR THE THIRD QUARTER OF 2012

POZNAŃ, 14 NOVEMBER 2012

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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CONSOLIDATED BALANCE SHEET

ASSETS	30/09/2012	30/09/2011	31/12/2011
Fixed assets			
Goodwill	57,581	57,581	57,581
Intangible fixed assets	1,006	496	485
Tangible Fixed Assets	4,243	5,046	5,059
Investment properties			
Interests in subsidiaries	1,287	1,287	1,287
Interests in associates			
Receivables	1,191	1,210	1,184
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	207	336	304
Deferred income tax assets	702	656	888
Fixed assets	66,217	66,612	66,788
Current assets			
Inventories	9,062	11,919	12,744
Receivables from building services contracts			
Trade receivables and other receivables	39,288	48,089	52,882
Current tax assets	23		
Loans	27	227	22
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	538	575	321
Cash and cash equivalents	5,888	6,507	11,975
Fixed assets classified as held for trading			
Current assets	54,826	67,318	77,943
Total assets	121,043	133,930	144,731

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CONSOLIDATED BALANCE SHEET (CONT.'D)

EQUITY AND LIABILITIES	30/09/2012	30/09/2011	31/12/2011
Shareholder's equity			
Equity - share of the shareholders of the parent company:			
Core capital	1,262	1,262	1,262
Treasury shares (-)	- 126		
- Share premium	24,863	24,863	24,863
Other Capitals	1,186	9,902	9,902
Retained profits:			
- retained profit (loss)	23,705	14,279	14,279
- net profit (loss) - share of the parent company shareholders	6,525	7,052	9,426
Equity - share of the shareholders of the parent company	57,415	57,358	59,732
Non-controlling shares			
Shareholder's equity	57,415	57,358	59,732
Liabilities			
Long-term liabilities			
Loans, credits, other loan instruments	3,180	4,268	3,840
Financial lease			
Financial derivatives			
Other liabilities			
Deferred tax liabilities	6,508	6,137	5,837
Employee benefits liabilities	33	33	36
Other long-term provisions			
Long-term prepayments			
Long-term liabilities	9,720	10,438	9,712
Short-term liabilities			
Trade liabilities and other liabilities liabilities	49,482	63,000	72,070
Current tax liabilities	606	631	184
Loans, credits, other loan instruments	2,946	1,714	1,856
Financial lease			
Financial derivatives			
Employee benefits liabilities	874	789	767
Other short-term provisions			411
Short-term prepayments			
Liabilities related to fixed assets held for trading			
Short-term liabilities	53,908	66,134	75,288
Total provisions	63,628	76,572	85,000
Total equity and liabilities	121,043	133,930	144,731

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CONSOLIDATED INCOME STATEMENT

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Continued activities				
Sale revenues	70,512	209,670	72,318	216,628
Revenues from the sale of products				
Revenue from the sale of services	41,226	123,468	42,024	130,007
Revenue from the sale of goods and materials	29,286	86,202	30,293	86,621
Sale costs	54,748	163,470	55,385	163,458
Costs of products sold				
Costs of services sold	27,294	80,014	25,565	78,432
Cost of goods and materials sold	27,454	83,456	29,820	85,026
Gross profit (loss) on sales	15,764	46,201	16,933	53,170
Sale costs	9,893	30,008	11,058	35,074
Administration costs	2,253	6,897	2,675	8,653
Other operating income	164	389	327	536
Other operating expense	107	862	363	611
Profit (loss) on the sale of subsidiaries (+/-)				
Operating profit (loss)	3,674	8,822	3,164	9,367
Financial income	89	386	76	159
Financial costs	154	646	246	651
Share in the profit (loss) of companies measured using the equity method (+/-)				
Profit (loss) before taxation	3,608	8,562	2,993	8,875
Income Tax	929	2,037	628	1,823
Net profit (loss) on continued activities	2,679	6,525	2,365	7,052
Discontinued operations				
Net profit (loss) on discontinued operations				
Net profit (loss)	2,679	6,525	2,365	7,052
Net profit (loss) - share of:				
- shareholders of the Parent Company	2,679	6,525	2,365	7,052
- non-controlling parties				

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	from 01/01 to 30/09/2012	from 01/01 to 30/09/2011
<i>on continued operations</i>		
- basic	1.03	1.12
- diluted	1.03	1.12
<i>on continued and discontinued operations</i>		
- basic	1.03	1.12
- diluted	1.03	1.12

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Net profit (loss)	2,679	6,525	2,365	7,052
Other comprehensive income				
Revaluation of fixed assets				
Available-for-sale financial assets:				
- income (loss) recognised in the period as other comprehensive income				
- recognised as profit or loss				
Cash flow hedging instruments:				
- income (loss) recognised in the period as other comprehensive income				
- recognised as profit or loss				
- amounts recognised in the initial value of the hedged items				
Exchange differences on the measurement of foreign operations				
Exchange differences recognised as profit or loss – sale of foreign operations				
Share in other comprehensive income of companies measured using the equity method				
Income tax referred to the other comprehensive income				
Other comprehensive income after taxation				
Comprehensive income	2,679	6,525	2,365	7,052
Comprehensive income - share of:				
- shareholders of the Parent Company	2,679	6,525	2,365	7,052
- non-controlling parties				

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2012	1,262		24,863	9,902	23,705	59,732		59,732
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,262		24,863	9,902	23,705	59,732		59,732
Changes in equity in the period from 01/01 to 30/09/2012								
Purchase of shares		-126		-8,716		- 8,842		- 8,842
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 30/09/2012					6,525	6,525		6,525
Other comprehensive income after taxation in the period from 01/01 to 30/09/2012								
Total comprehensive income					6,525	6,525		6,525
Transfer to retained profits (sale of revalued fixed assets)								
As at 30/09/2012	1,262	- 126	24,863	1,186	30,230	57,415		57,415

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2011	1,262		24,863	9,902	19,327	55,354		55,354
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,262		24,863	9,902	19,327	55,354		55,354
Changes in equity in the period from 01/01 to 30/09/2011								
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					- 5,048	- 5,048		- 5,048
Financial result recognised as equity								
Total transactions with shareholders					- 5,048	- 5,048		- 5,048
Net profit for the period from 01/01 to 30/09/2011					7,052	7,052		7,052
Other comprehensive income after taxation in the period from 01/01 to 30/09/2011								
Total comprehensive income								
Transfer to retained profits (sale of revalued fixed assets)								
As at 30/09/2011	1,262		24,863	9,902	21,331	57,358		57,358

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2011	1,262		24,863	9,902	19,327	55,354		55,354
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,262		24,863	9,902	19,327	55,354		55,354
Changes in equity in the period from 01/01 to 31/12/2011								
Issue of shares								
Issue of shares in relation with the option exercise (share-based payment programme)								
Option measurement (share-based payment programme)								
Changes in the group structure (transactions with non-controlling parties)								
Dividends					- 5,048	- 5,048		- 5,048
Financial result recognised as equity								
Total transactions with shareholders					- 5,048	- 5,048		- 5,048
Net profit for the period from 01/01 to 31/12/2011					9,426	9,426		9,426
Other comprehensive income after taxation in the period from 01/01 to 31/12/2011								
Total comprehensive income								
Transfer to retained profits (sale of revalued fixed assets)								
As at 31/12/2011	1,262		24,863	9,902	23,705	59,732		59,732

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CONSOLIDATED CASH FLOW STATEMENT

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Cash flow from operating activity				
Profit (loss) before taxation	3,608	8,562	2,993	8,875
Adjustments:				
Depreciation of tangible fixed assets	462	1,307	457	1,649
Change in the fair value of investment properties				
Change in the fair value of financial assets (liabilities measured at fair value through profit or loss)				
Cash flow hedging instruments transferred from equity				
Impairment loss on financial assets				
Profit (loss) on the sale of non-financial fixed assets	-1	150	16	45
Profit (loss) on the sale of financial assets (other than derivatives)				
Exchange difference gains/losses				
Interest expense	161	590	207	584
Interest and dividend income	-76	-345	-134	-192
Cost of share-based payments (incentive programmes)				
Share in the profit (loss) of associate companies				
Other adjustments				
Total adjustments	545	1,702	546	2,086
Change in inventories	1,575	3,682	-1,027	3,541
Change in receivables	8,584	13,645	437	13,448
Change in liabilities	-16,139	-22,510	4,049	-14,657
Change in provisions and prepayments	13	-526	123	-593
Change in building contracts				
Changes in working capital	-5,967	-5,710	3,582	1,739
Inflows (outflows) from the settlement of derivatives				
Interest paid on operating activities				
Taxes paid	-251	-816	-215	-1,032
Net cash flow from operating activity	-2,065	3,738	6,906	11,668

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CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Cash flow from investment activity				
Expenses to purchase fixed assets	-724	-1,315	-674	-1,032
Inflows from the sale of fixed assets	4	152	87	236
Expenses to purchase investment properties				
Inflows from the sale of investment properties				
Net expenses to purchase subsidiaries				-1,287
Net inflows from the sale of subsidiaries				
Received repayments of loans granted	11	26	2,206	2,210
Loans granted	-19	-31	-2,226	-2,236
Expenses to purchase other financial assets				
Inflows from the sale of other financial assets				
Inflows from government subsidies received				
Interest income	76	346	195	243
Dividend income				
Net cash flow from investing activity	-652	-822	-411	-1,865
Cash flow from financial activity				
Net inflows from the issue of shares				
Purchase of treasury shares	-8,842	-8,842		
Transactions with non-controlling parties, with no loss of control				
Inflows from debt securities in issue				
Redemption of debt securities				
Inflows from loans and credits contracted		3,417		
Repayment of loans and advances	-713	-2,987	-2,123	-1,780
Repayment of financial lease liabilities				
Interest paid	-199	-590	-236	-613
Dividends paid				-5,048
Net cash flow from financial activity	-9,754	-9,002	-2,358	-7,440
Net change in cash and cash equivalents	-12,471	-6,087	4,136	2,362
Cash and cash equivalents at period beginning	18,359	11,975	2,370	4,145
Exchange differences				
Cash and cash equivalents at period end	5,888	5,888	6,507	6,507

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EXPLANATORY NOTES TO THE CONSOLIDATED QUARTERLY FINANCIAL STATEMENTS

1. General

The parent company of the Tell S.A. Group [hereinafter referred to as the 'Group'] is Tell Spółka Akcyjna, hereinafter referred to as the 'Parent Company'.

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

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

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

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

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

Name of subsidiary	Seat	Percentage share of the Group in the share capital:	
		30/09/2012	31/12/2011
Euro-Phone Sp. z o.o.	Piaseczno	100%	100 %
PTI Sp. z o.o.	Poznań	100 %	100 %

2. Drawing up basis and accounting rules

2.1. Drawing up basis

The consolidated quarterly financial statements of the Group cover the period of 9 months ended on 30/09/2012 and have been made in accordance with IAS 34 *Interim Financial Reporting*.

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 30/09/2011 were provided, even though there is no such requirement in IAS 34.

The consolidated quarterly financial statements do not contain all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These consolidated quarterly financial statements should be read together with the consolidated financial statements of the Group for the year 2011.

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

The consolidated quarterly financial statements were prepared in accordance with the going concern principle. As at the date of the approval of these consolidated quarterly 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 1 January to 30 September 2012, there were no changes to the accounting principles (rules) as regards the measurement of assets and equity & liabilities and the measurement of the financial result. These consolidated quarterly interim financial statements have been prepared in accordance with the accounting principles (rules) applied in the last consolidated financial statements of the Group for the year ended on 31 December 2011.

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No amendments to the published standards or interpretations that entered into force on or after 01 January 2012 have had any influence on these interim financial statements.

2.3. Estimation Uncertainty

When preparing these consolidated quarterly financial statements, the Parent Company's Management Board uses its best judgement to make 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 2011.

3. Significant Events and Transactions

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

4. Seasonality of business

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

5. Earnings per share

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

The calculation of earnings per share has been presented below:

	from 01/01 to 30/09/2012	from 01/01 to 31/12/2011
Number of shares inserted in the denominator of the formula		
Average weighted number of ordinary shares	6,309,623	6,309,623
Dilution effect of options convertible into shares		
Average weighted diluted number of ordinary shares	6,309,623	6,309,623
Continued activities		
Net profit (loss) on continued activities	6,525	9,426
Basic profit (loss) per share (PLN)	1.03	1.50
Diluted profit (loss) per share (PLN)	1.03	1.50
Discontinued operations		
Net profit (loss) on discontinued operations		
Basic profit (loss) per share (PLN)		
Diluted profit (loss) per share (PLN)		
Continued and discontinued operations		
Net profit (loss)	6,525	9,426
Basic profit (loss) per share (PLN)	1.03	1.50
Diluted profit (loss) per share (PLN)	1.03	1.50

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6. Operating segments

The Group does not identify operating segments, because all the Group companies carry out uniform economic activities related to mobile phones. However, due to formal requirements of particular mobile phone operators, the Group conducts its business through separate subsidiaries.

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

The Group conducts its operating activities on a single geographic area, i.e. the territory of Poland. Subject to the trade secrecy clause, no information concerning the value of sales to a particular customers, whose volume exceeds 10% of total sales, has been presented.

7. Brief description of the issuer's successes or failures in the period this report refers to, with an indication of the most important events concerning the issuer

Size of the Sale Network.

In the third quarter of 2012, the average number of Orange outlets in which the sale of services of PTK Centertel Sp. z o.o. is carried out amounted to 189 (as at 30/09/2012 - 186 outlets), whereby the average number in the third quarter of 2012 was 217 (as at 30/09/2011 - 214 outlets).

The number of outlets run by subsidiaries where the services of other operators are sold amounted to, as at the end of 30/09/2012, 188 outlets, when compared to 203 outlets as at the end of 30/09/2011. Among the above-mentioned outlets, there were 90 outlets (96 respectively as at the end of the third quarter of 2011) offering the services of Polkomtel S.A. (PLUS operator) and 98 outlets (respectively, 107 as at the end of the third quarter of 2011) offering the services of Polska Telefonia Cyfrowa Sp. z o.o. (T-Mobile operator).

Consolidated results of TELL S.A. Group on current operations.

In the third quarter of 2012, the revenue from the sale in the TELL S.A. Group amounted to kPLN 70512 and was lower by 2.5% than in the corresponding period of previous year. After three quarters of 2012, the YTD revenue from the sale amounted to kPLN 209,670 and decreased by 3.2.% when compared to the three quarters of 2011.

The operating profit for the third quarter of 2012 amounted to kPLN 3,674 and was higher by 16.1% than in the corresponding period of previous year. After three quarters of 2012, the YTD operating profit amounted to kPLN 8,822 and was lower by 5.8% than in the corresponding period of 2011.

EBITDA of the third quarter of 2012 amounted to kPLN 4,135 and was higher by 14.2% than in the corresponding period of the previous year. After three quarters of 2012, the YTD EBTIDA amounted to kPLN 10,129 and was lower by 8.0% than in the corresponding period of 2011.

The net profit of the third quarter of 2012 was kPLN 2,679 and was higher than in the previous year by 13.3%. After three quarters of 2012, the YTD net profit amounted to kPLN 6,525 and decreased by 7.5.% when compared to the three quarters of 2011.

The value and volume structure of sales of the Tell S.A. Group:

Revenue from the sale of products and goods (in kPLN)	2012 Q1-Q3	2011 Q1-Q3	Change Q1- Q3.2012 /Q1- Q3.2011	2012 Q3	2011 Q3	Change Q3.2012 /Q3 2011
Revenue from the sale of telecommunication services	82,575	95,434	86.53%	27,403	30,395	90.16%
Sets and pre-paid refills	17,349	21,603	80.31%	5,710	7,218	79.11%
Postpaid contract phones	101,922	91,002	112.00%	36,218	31,759	114.04%
Other revenue	7,824	8,590	91.09%	1,181	2,945	40.09%
Total	209,670	216,628	96.79%	70,512	72,318	97.50%

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Service sale volume	2012 Q1-Q3	2011 Q1-Q3	Change Q1- Q3.2012 /Q1- Q3.2011	2012 Q3	2011 Q3	Change Q3.2012 /Q3 2011
Postpaid activations	452,358	490,414	92.24%	149,795	159,720	93.79%
Prepaid activations	122,772	124,869	98.32%	57,218	42,364	135.06%
Total	575,130	615,283	93.47%	207,013	202,084	102.44%

Separate results of TELL S.A. on current operations.

In the third quarter of 2012, the revenue from the sale in TELL S.A. amounted to kPLN 15,923 and was lower by 40.6% than in the corresponding period of previous year. After three quarters of 2012, the YTD revenue from the sale amounted to kPLN 59,467 and decreased by 26.7% when compared to the three quarters of 2011.

The fall in the revenue in the third quarter of 2012 concerns mainly the no-margin revenue generated on the sale of subscription phones. This is a result of the decrease in the sale network size and the concurrent changes in the system of settlement of the above telephones introduced by PTK Centertel. These changes have forced an acceleration in the turnover, i.e. a fall in inventories and consequently a fall in purchases made by Subagents from Tell S.A. The trade in subscription phones does not have any influence on the financial result of the Company.

With reference to the revenue lines which influence the financial result of the Company (commissions on the sale of telecommunication services and the pre-paid range), the fall noted in the third quarter of 2012 is analogous to the falls in the previous quarters of 2012 and does not exceed 25%. With respect to the store network, this fall is proportional to the decrease in the number of stores, while in the B2B sale segment it reflects the poorer results of this channel when compared to the previous year.

The operating profit for the third quarter of 2012 amounted to kPLN 1586 and was higher by 35.0% than in the corresponding period of previous year. Such considerable increase results from the comparison of the third quarter of 2012 with a poor third quarter of 2011. After three quarters of 2012, the YTD operating profit amounted to kPLN 3,776 and was lower by 0.5% than in the corresponding period of 2011.

EBITDA of the third quarter of 2012 amounted to kPLN 1,871 and was higher by 27.6% than in the corresponding period of the previous year. After three quarters of 2012, the YTD EBITDA amounted to kPLN 4,550 and was lower by 8.0% than in the corresponding period of 2011.

The net profit of the third quarter of 2012 was kPLN 1,183 and was higher than in the previous year by 26.7%. After three quarters of 2012, the YTD net profit amounted to kPLN 6,279 and increased by 0.3% when compared to the three quarters of 2011.

8. Goodwill

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

	from 01/01 to 30/09/2012	from 01/01 to 31/12/2011
Gross value	57,581	57,581
As at period beginning	57,581	57,481
Business combinations		
Sale of subsidiaries (-)		
Net exchange differences on conversion		
Other adjustments		
Gross value at period end	57,581	57,581
Impairment loss		
As at period beginning		
Loss expensed as cost in the period		
Net exchange differences on conversion		

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Other changes		
Impairment loss at period end		
Goodwill - carrying amount at period end	57,581	57,581

9. Intangible fixed assets

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

	Software licences	Other	Total
for the period from 01/01 to 30/09/2012			
Net carrying amount as at 01/01/2012	191	294	485
Acquisition by a business combination			
Increase (acquisition, production, lease)	327		327
Decrease (disposal, liquidation) (-)			
Depreciation and amortisation (-)	-99	-57	-156
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 30/09/2012	419	587	1,006
for the period from 01/01 to 31/12/2011			
Net carrying amount as at 01/01/2011	239	393	632
Acquisition by a business combination			
Increase (acquisition, production, lease)	109	65	174
Sale of a subsidiary (-)			
Decrease (disposal, liquidation) (-)			
Revaluation to fair value (+/-)			
Depreciation and amortisation (-)	-158	-164	-321
Impairment loss (-)			
Reversal of impairment charges			
Net exchange differences on conversion (+/-)			
Net carrying amount as at 31/12/2011	191	294	485

10. 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	Total
for the period from 01/01 to 30/09/2012				
Net carrying amount as at 01/01/2012	610	1,542	2,882	5,033
Acquisition by a business combination				
Increase (acquisition, production, lease)	142	228	200	571
Sale of a subsidiary (-)				
Decrease (disposal, liquidation) (-)	-52	-110	-255	-418
Revaluation to fair value (+/-)				
Depreciation and amortisation (-)	-145	-331	-469	-946
Impairment loss (-)				
Reversal of impairment charges				
Net exchange differences on conversion (+/-)				

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Net carrying amount as at 30/09/2012 <i>for the period from 01/01 to 31/12/2011</i>	554	1,329	2,358	4,241
Net carrying amount as at 01/01/2011	1,011	1,350	3,541	5,902
Acquisition by a business combination				
Increase (acquisition, production, lease)	78	751	735	1,565
Sale of a subsidiary (-)				
Decrease (disposal, liquidation) (-)	-36	-149	-446	-631
Revaluation to fair value (+/-)				
Depreciation and amortisation (-)	-441	-411	-948	- 1802
Impairment loss (-)				
Reversal of impairment charges				
Net exchange differences on conversion (+/-)				
Net carrying amount as at 31/12/2011	610	1,542	2,882	5,033

11. Fair value of financial instruments

Changes in the fair value of financial assets and liabilities

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

Class of financial instrument	30/09/2012		31/12/2011	
	Fair value	Carrying amount	Fair value	Carrying amount
Assets:				
Loans	27	27	22	22
Trade receivables and other	39,288	39,288	52,882	52,882
Financial derivatives				-
Debt securities				-
Listed shares				-
Non-listed shares and participations*				-
Investment fund units				-
Remaining classes of other financial assets				-
Cash and cash equivalents	5,888	5,888	11,975	11,975
Liabilities:				
Loan facilities	6,126	6,126	5,693	5,693
Overdraft facilities			3	3
Loans				-
Debt securities				-
Financial lease				-
Financial derivatives				-
Trade liabilities and other	49,482	49,482	72,070	72,070

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

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

Reclassification of financial assets

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

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

12. Impairment charges

Impairment of inventories:

	from 01/01 to 30/09/2012	from 01/01 to 31/12/2011
As at period beginning	614	609
Loss expensed as cost in the period	15	5
Reversal of impairments in the period (-)	-	-69
Other changes (net exchange differences on conversion)	-	-
At period end	619	536

Impairment of receivables and loans:

	from 01/01 to 30/09/2012	from 01/01 to 31/12/2011
As at period beginning	3,685	3,381
Loss expensed as cost in the period	541	354
Reversal of impairments carried as revenue in the period (-)	-	- 50
Provisions used (-)	-	-
Other changes (net exchange differences on conversion)	-	-
At period end	4,226	3,685

13. Core capital

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

Share capital as at the balance sheet day:

	30/09/2012	31/12/2011
Number of shares	6,309,623	6,309,623
Par value of shares (PLN)	0.20	0.20
Core capital	1,261,924.60	1,261,924.60

14. Dividends

The Parent Company did not pay dividends to the shareholders for 2011. The net profit for 2011 in the amount of PLN 9,494,220.82 was allocated, by virtue of Resolution No. 19/2012 of the Ordinary General Meeting of Shareholders of 16 May 2012 to the supplementary capital.

In periods presented as comparable periods, the payment of dividends to shareholders for 2010 was recognised in the amount of PLN 5,650,775.48 which converted into PLN 0.80 per share. The General Meeting of Shareholders approving the 2010 dividend payment took place on 28 April 2011.

15. Issue and redemption of debt securities

There has been no issue or redemption of debt securities.

16. Provisions

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

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	Provisions for long-term employee benefits	Other provisions, including provisions for:				
		Accrued holidays	Costs of remuneration	Other expenses	Other benefits	total
for the period from 01/01 to 30/09/2012						
As at period beginning	36	761	342	69	6	1,178
Provision increase carried as expense in the period		135		11		146
Write-back of provisions recognised as the revenue in the period (-)						-
Utilisation of provisions (-)	-3	-22	-342	-80	-6	-428
Increase by business combinations						-
Other changes (net exchange differences after conversion)						-
Provisions as at 30/09/2012	33	874	-	-	-	874
for the period from 01/01 to 31/12/2011						
As at period beginning	33	653	391	82	5	1,131
Provision increase carried as expense in the period	3	108	342	69	1	520
Write-back of provisions recognised as the revenue in the period (-)						-
Utilisation of provisions (-)			- 391	- 82		- 473
Increase by business combinations						-
Other changes (net exchange differences after conversion)						-
Provisions as at 31/12/2011	36	761	342	69	6	1,178

17. Contingent Liabilities

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

	30/09/2012	31/12/2011
To related parties not subject to consolidation:		
Liability payment guarantee	28,225	20,050
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	28,225	20,050
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		
Guarantees originated		

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Guarantees originated in relation with the building services contracts		
Disputed cases and cases in court		
Disputed cases and cases in court related to the IRS		
Other Contingent Liabilities		
Total other parties		
Total contingent liabilities	28,225	20,050

18. Litigations in Court

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

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

19. Transactions with related parties

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

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

	Revenue from operating activity		Receivables	
	from 01/01 to 30/09/2012	from 01/01 to 31/12/2011	30/09/2012	31/12/2011
Sales to:				
The parent company				
A subsidiary	343	331	7,482	9,810
An associate				
A joint venture				
Key management personnel				
Other related parties				
Total	343	331	7,482	9,810

	30/09/2012		31/12/2011	
	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance
Loans granted:				
to the parent company				
to a subsidiary	3,500	7,482	17,550	9,782
to an associate				
to a joint venture				
to a person from the key management				
to other related parties				
Total	3,500	7,482	17,550	9,782

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

20. Events after the Balance Sheet Date

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

21. Purchase of treasury shares of the parent company

By virtue of Resolution No. 20/2012 of the Ordinary General Meeting of Shareholders of Tell S.A. 16 May 2012, the General Meeting authorised the Company's Management Board to purchase treasury shares for redemption in accordance with the terms and conditions defined in the said resolution and the terms and conditions defined by the Management Board. The Management Board was authorised to define the remaining principles for the treasury share purchase. This authorisation concerns both ordinary bearer shares and registered shares.

The call to subscribe the sale of shares in Tell S.A. was published on 29 May 2012 and was completed on 6 July 2012. In result of the call, the Company purchased 631,593 treasury shares at PLN 14 per share.

After the completion of the treasury share acquisition process, the Management Board, in accordance with the authorisation, was obliged to convene a General Meeting of Shareholders in order for it to adopt a resolution concerning the share redemption and decrease of the share capital. Such Meeting took place on 1 October 2012 and adopted the resolution on the share redemption and share capital decrease.

The share redemption shall be effected upon the registration by the court of law of an amendment to the Articles of Association related to the share capital decrease, as appropriate.

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

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

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

In the periods covered by these abbreviated quarterly financial statements, the following 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: 30/09/2012 4.1138 PLN/EUR, 30/09/2011 4.4112 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: 01/01-30/09/2012 4.1948 PLN/EUR, 01/01-30/09/2011 4.0413 PLN/EUR,

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

	from 01/01 to 30/09/2012	from 01/01 to 30/09/2011	from 01/01 to 30/09/2012	from 01/01 to 30/09/2011
	in k PLN		in k EUR	
Income statement				
Sale revenues	209,670	216,628	49,983	53,603
Operating profit (loss)	8,822	9,367	2,103	2,318
Profit (loss) before taxation	8,562	8,875	2,041	2,196
Net profit (loss)	6,525	7,052	1,555	1,745
Net profit (loss) - share of the shareholders of the parent company	6,525	7,052	1,555	1,745
Earnings per share (PLN; EUR)	1.03	1.12	0.25	0.28
Diluted earnings per share (PLN; EUR)	1.03	1.12	0.25	0.28
Average exchange rate PLN / EUR in the period	X	X	4.1948	4.0413
Cash Flow Statement				
Net cash flow from operating activity	3,738	11,668	891	2,887
Net cash flow from investing activity	-822	-1,865	-196	-462
Net cash flow from financial activity	-9,002	-7,440	-2,146	-1,841
Net change in cash and cash equivalents	-6,087	2,362	-1,451	585
Average exchange rate PLN / EUR in the period	X	X	4.1948	4.0413

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	in k PLN		in k EUR	
Balance sheet				
Assets	121,043	133,930	29,424	30,361
Long-term liabilities	9,720	10,438	2,363	2,366
Short-term liabilities	53,908	66,134	13,104	14,992
Shareholder's equity	57,415	57,358	13,957	13,003
Equity - share of the parent company shareholders	57,415	57,358	13,957	13,003
PLN / EUR exchange rate at period end	X	X	4.1138	4.4112

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

	from 01/01 to 30/09/2012	from 01/01 to 30/09/2011	from 01/01 to 30/09/2012	from 01/01 to 30/09/2011
	in k PLN		in k EUR	
Income statement				
Sale revenues	59,467	81,253	14,176	14,715
Operating profit (loss)	3,776	3,795	900	934
Profit (loss) before taxation	7,412	7,143	1,767	1,834
Net profit (loss)	6,279	6,259	1,497	1,554
Net profit (loss) - share of the shareholders of the parent company	6,279	6,259	1,497	1,554
Earnings per share (PLN; EUR)	1.00	0.99	0.24	0.25
Diluted earnings per share (PLN; EUR)	1.00	0.99	0.24	0.25
Average exchange rate PLN / EUR in the period	X	X	4.1948	4.0413
Cash Flow Statement				
Net cash flow from operating activity	-615	8,098	-147	2,004
Net cash flow from investing activity	5,637	-2,128	1,344	-527
Net cash flow from financial activity	-10,494	-6,827	-2,502	-1,689
Net change in cash and cash equivalents	-5,472	-857	-857	-212
Average exchange rate PLN / EUR in the period	X	X	4.1948	4.0413
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	in k PLN		in k EUR	
Balance sheet				
Assets	84,434	106,585	20,525	24,162
Long-term liabilities	5,340	6,662	1,298	1,510
Short-term liabilities	24,160	45,660	5,873	10,351
Shareholder's equity	54,935	54,263	13,354	12,301
Equity - share of the parent company shareholders	54,935	54,263	13,354	12,301
PLN / EUR exchange rate at period end	X	X	4.1138	4.4112

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

REMAINING INFORMATION TO THE REPORT FOR THE THIRD QUARTER OF 2012

24. Description of the organisation of the Group and indication of consolidated entities

The Tell S.A. Group is composed of the parent company Tell S.A. and related companies.

Euro-Phone Sp. z o.o.

Seat of the Company: ul. Puławska 40a, 05-500 Piaseczno,

Basic object of business: Agents specialised in the sale of other particular products (Polish Classification of Economic Activities of 2007 - 4618Z),

Company's legal basis: The Company was established on 19 March 1998 (Notarised deed No. A 2699/98). The registration authority is the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, KRS 0000010796. Incorporation date: 25 May 2001.

In Euro-Phone Sp. z o.o., Tell S.A. holds 100% of shares.

PTI Sp. z o.o.

Seat of the Company: ul. Forteczna 19A, 61-362 Poznań,

Basic object of business: Agents specialised in the sale of other particular products (Polish Classification of Economic Activities of 2007 - 4618Z),

Company's legal basis: The Company was established on 12 July 2007 (Notarised deed No. A 5675/2007).

Registration authority: District Court for Poznań Nowe Miasto i Wilda, VIII Commercial Division of the National Court Register, KRS 0000286046. Incorporation date – 13 August 2007.

In PTI Sp. z o.o., Tell S.A. holds 100% of shares.

Toys4Boys Pl. Sp. z o.o.

Seat of the Company: ul. Nowy Świat 11B, 80-299 Gdańsk,

Basic object of business: Retail sale via mail order houses or via Internet (Polish Classification of Economic Activities of 2007 – 4791Z),

Company's legal basis: The Company was established on 16 February 2007 (Notarised deed No. A 5029/2007). Registration authority: District Court for Gdańsk-Północ in Gdansk, 7th Commercial Division of the National Court Register, KRS 0000276286. Incorporation date: 12 March 2007.

In Toys4Boys. Pl. Sp. z o.o. Tell S.A. holds 30% of shares.

The financial statements of Toys4BoysPl. Sp. z o.o. is immaterial from the perspective of the consolidated financial statements of the Tell S.A. Group. By decision of the Management of the Company, Toys4BoysPl Sp. z o.o. is not subject to consolidation as at 30 September 2012.

Tell S.A. holds shares in Connex Sp. z o.o., which is not consolidated. As at the date of these financial statements, Connex Sp. z o.o. does not conduct any business.

The consolidation covers Euro-Phone Sp. z o.o. and PTI Sp. z o.o.

25. 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;

No changes in the company's structure.

26. 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 quarterly statements (as compared to the forecasts);

The Management Board of Tell S.A. did not publish any forecasts of results for 2012.

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

27. 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 quarterly 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

The last published report is the report for the first quarter of 2012. In the period from the publication of the last quarterly statements until the publication of these mid-year statements for the third quarter of 2012 there were changes related to the share purchase conducted by Tell S.A. in July 2012. The total of 631,593 shares was purchased for the amount of PLN 8,842,302.

The total number of votes at the general meeting of shareholders did not change and amounts to 8,014,373 votes. The share capital did not change and amounts to PLN 1,261,924.60. It must be noted that in accordance with art. 364 par. 2 of the Polish Code of Commercial Companies, the Company cannot exercise rights resulting from its treasury shares.

The changes are presented in the tables below.

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 2012.

Shareholder	Number of registered shares	Number of bearer shares	Total shares	Number of votes per registered shares	Number of votes per bearer shares	Total votes	% of share capital	% of votes
BBI Capital NFI S.A.	1,429,750		1,429,750	2,859,500	0	2,859,500	22.66%	35.68%
Havo Sp. z o.o.		675,000	675,000		675,000	675,000	10.70%	8.42%
Rafał Stempniewicz	175,000	112,280	287,280	350,000	112,280	462,280	4.55%	5.77%
AVIVA Investors FIO* AVIVA Investors SFIO		657,672	657,672		657,672	657,672	10.42%	8.21%
Quercus Parasolowy SFIO, Quercus Absolute Return FIZ		888,235	888,235		888,235	888,235	14.08%	11.08%
total	1,604,750	2,333,187	3,937,937	3,209,500	2,333,187	5,542,687	62.41%	69.16%

* Number of shares held by Funds represented at the Ordinary General Meeting of Shareholders on 28 April 2011.

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 third quarter of 2012.

Shareholder	Number of registered shares	Number of bearer shares	Total shares	Number of votes per registered shares	Number of votes per bearer shares	Total votes	% of share capital	% of votes
BBI Capital NFI S.A.	1,286,632		1,286,632	2,573,264	0	2,573,264	20.39%	32.11%
Havo Sp. z o.o.		675,000	675,000	0	675,000	675,000	10.70%	8.42%
Rafał Stempniewicz	157,482	100,372	257,854	314,964	100,372	415,336	4.09%	5.18%
AVIVA Investors FIO* AVIVA Investors SFIO		657,672	657,672	0	657,672	657,672	10.42%	8.21%
Quercus Parasolowy SFIO, Quercus Absolute Return FIZ		888,235	888,235	0	888,235	888,235	14.08%	11.08%
Tell S.A.	170,646	460,947	631,593	341,292	460,947	802,239	10.01%	10.01%
total	1,614,760	2,782,226	4,396,986	3,229,520	2,782,226	6,011,746	69.69%	75.01%

* Number of shares held by Funds represented at the Ordinary General Meeting of Shareholders on 28 April 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

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amount and structure of the Company's share capital, including changes related to the share issue, division, conversion or redemption.

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

The last published report is the report for the first quarter of 2012. In the period from the publication of the last quarterly statements until the publication of these mid-year statements for the first quarter of 2012 there were changes related to the share purchase conducted by Tell S.A. in July 2012. The total of 631,593 shares was purchased for the amount of PLN 8,842,302.

The total number of votes at the general meeting of shareholders did not change and amounts to 8,014,373 votes. The share capital did not change and amounts to PLN 1,261,924.60.

The Company may not exercise rights resulting from its treasury shares.

The changes are presented in the tables below.

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 2012.

Shareholder	Total shares	Total votes	% of share capital	% of votes
Members of the Supervisory Board				
Paweł Turno	170,625	170,625	2.70%	2.13%
Management Board				
Rafał Stempniewicz	287,280	462,280	4.55%	5.77%
Stanisław Górski	2,748	2,748	0.04%	0.03%
Robert Krasowski	15,000	15,000	0.24%	0.19%
total	475,653	650,653	7.53%	8.12%

List of shares held by persons managing or supervising the issuer as at the date of publication of this report for the third quarter of 2012.

Shareholder	Total shares	Total votes	% of share capital	% of votes
Members of the Supervisory Board				
Paweł Turno	152,529	152,529	2.42%	1.90%
Management Board				
Rafał Stempniewicz	257,854	415,336	4.09%	5.18%
Stanisław Górski	2,456	2,456	0.04%	0.03%
Robert Krasowski	13,409	13,409	0.21%	0.17%
	426,248	583,730	6.76%	7.28%

29. Indication of court, arbitration or public administration proceedings

Both Tell S.A. and its 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 issuer. 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 Company or its subsidiaries before any arbitration court.

30. Information on the conclusion by the issuer or its subsidiary of one or more transactions with related parties when such transactions individually or taken together are material and were

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not entered at arm's length, excluding transactions entered into by an issuer being a fund with a related party, including indication of the value(s) of such transactions, whereby, the information on particular transactions may be grouped by type, excluding the case when information on such particular transactions is necessary for the understanding of their impact on the economic or financial position of the issuer or its financial result

All transactions between the Group companies are at arm's length transactions. Information on such transactions was provided in the supplementary notes to the consolidated quarterly financial statements - item 18.

31. 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

Information was provided in the supplementary notes to the consolidated quarterly financial statements - item 17.

32. 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 that is important for the assessment of the Tell S.A. Group's situation, whereby, in order to complete the picture, the system of registering revenue and costs related to the postpaid mobile phone services are presented below.

Methods of settling subsidies to postpaid phones in contracts with particular operators

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

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

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

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

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

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

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

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

Until the end of June 2011, the revenue and costs related to the sale of mobile phones were registered in promotional prices. Since 1 July 2011, in relation with the amended contract with the operator, the Company has maintained a system identical to the system of settlements between Tell S.A. and PTK Centertel Sp. z o.o.

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

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

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

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

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

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

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

If all Group companies settled the value of subsidised phones in the same way as Tell S.A, the Group's revenue would amount to in the period from the first to the third quarter of 2012 and from the first to the third quarter of 2011, respectively, kPLN 155,355 and kPLN 171,923. The costs of sale in the period from the first to the third quarter of 2012 and from the first to the third quarter of 2011 would be, respectively, kPLN 109,154 and kPLN 118,753. The consequences on this operation are neutral as regards the final result.

There is no possibility at present to simulate the values of the Group's revenues and costs with the application of the settlement model in force between PTI Sp. z o.o. and Polkomtel Sp. z o.o. because until June 2011 Euro-Phone registered the revenues and costs of mobile phone sales only in promotional prizes (no data about their market values). The change of the settlement system between Euro-Phone and PTC that took place in July 2011 will allow, with time, to prepare a presentation of simulated revenues of the Group both in accordance with the model applied by Tell SA and Euro-Phone Sp. z o.o. as well as the model applied by PTI Sp. z o.o.

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

The basic factors which will influence the results to be achieved by the TELL S.A. Group in the nearest future include the demand for mobile phone services, in particular its seasonality (cf. item 4 above) as well as the related level of sale plan performance imposed on the Group Companies by mobile phone operators.

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QUARTERLY FINANCIAL INFORMATION OF TELL S.A.

SEPARATE BALANCE SHEET

ASSETS	30/09/2012	30/09/2011	31/12/2011
Fixed assets			
Goodwill	21,298	21,298	21,298
Intangible fixed assets	581	342	311
Tangible Fixed Assets	2,351	2,980	2,797
Investment properties			
Interests in subsidiaries	25,636	25,636	25,636
Interests in associates			
Receivables	519	676	660
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	207	336	304
Deferred income tax assets	263	430	468
Fixed assets	50,855	51,698	51,474
Current assets			
Inventories	5,476	8,931	9,823
Receivables from building services contracts			
Trade receivables and other receivables	18,941	32,349	35,121
Current tax assets			
Loans	7,482	10,382	9,782
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	396	383	221
Cash and cash equivalents	1,284	2,841	6,756
Fixed assets classified as held for trading			
Current assets	33,580	54,887	61,703
Total assets	84,434	106,585	113,177

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
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SEPARATE BALANCE SHEET (CONT.'D)

EQUITY AND LIABILITIES	30/09/2012	30/09/2011	31/12/2011
Shareholder's equity			
Equity - share of the shareholders of the parent company:			
Core capital	1,262	1,262	1,262
Treasury shares (-)	-126		
- Share premium	24,863	24,863	24,863
Other Capitals	1,186	9,902	9,902
Retained profits:			
- retained profit (loss)	21,471	11,976	11,976
- net profit (loss) - share of the parent company shareholders	6,279	6,259	9,494
Equity - share of the shareholders of the parent company	54,935	54,263	57,498
Non-controlling shares			
Shareholder's equity	54,935	54,263	57,498
Liabilities			
Long-term liabilities			
Loans, credits, other loan instruments	1,283	2,851	2,423
Financial lease			
Financial derivatives			
Other liabilities			
Deferred tax liabilities	4,047	3,801	3,917
Employee benefits liabilities	10	10	10
Other long-term provisions			
Long-term prepayments			
Long-term liabilities	5,340	6,662	6,350
Short-term liabilities			
Trade liabilities and other liabilities liabilities	21,366	43,308	46,496
Current tax liabilities	606	224	173
Loans, credits, other loan instruments	1,711	1,711	1,856
Financial lease			
Financial derivatives			
Employee benefits liabilities	477	417	477
Other short-term provisions			328
Short-term prepayments			
Liabilities related to fixed assets held for trading			
Short-term liabilities	24,160	45,660	49,329
Total provisions	29,499	52,322	55,679
Total equity and liabilities	84,434	106,585	113,177

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
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SEPARATE INCOME STATEMENT

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Continued activities				
Sale revenues	15,923	59,467	26,808	81,253
Revenues from the sale of products				
Revenue from the sale of services	13,551	46,419	19,017	60,230
Revenue from the sale of goods and materials	2,372	13,047	7,791	21,023
Sale costs	6,503	31,779	17,662	51,914
Costs of products sold				
Costs of services sold	5,800	20,965	9,998	31,786
Cost of goods and materials sold	704	10,814	7,664	20,128
Gross profit (loss) on sales	9,420	27,687	9,146	29,339
Sale costs	6,381	19,130	6,365	20,544
Administration costs	1,480	4,384	1,459	4,775
Other operating income	112	204	128	216
Other operating expense	85	601	276	441
Profit (loss) on the sale of subsidiaries (+/-)				
Operating profit (loss)	1,586	3,776	1,174	3,795
Financial income	214	4,003	246	3,843
Financial costs	91	367	198	496
Share in the profit (loss) of companies measured using the equity method (+/-)				
Profit (loss) before taxation	1,709	7,412	1,223	7,143
Income Tax	526	1,133	290	884
Net profit (loss) on continued activities	1,183	6,279	933	6,259
Discontinued operations				
Net profit (loss) on discontinued operations				
Net profit (loss)	1,183	6,279	933	6,259
Net profit (loss) - share of:				
- shareholders of the Parent Company	1,183	6,279	933	6,259
- non-controlling parties				

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	from 01/01 to 30/09/2012	from 01/01 to 30/09/2011
<i>on continued operations</i>		
- basic	1.00	0.99
- diluted	1.00	0.99
<i>on continued and discontinued operations</i>		
- basic	1.00	0.99
- diluted	1.00	0.99

Name of the group:	TELL S.A. GROUP		
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SEPARATE COMPREHENSIVE INCOME STATEMENT

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Net profit (loss)	1,183	6,279	933	6,259
Other comprehensive income				
Revaluation of fixed assets				
Available-for-sale financial assets:				
- income (loss) recognised in the period as other comprehensive income				
- recognised as profit or loss				
Cash flow hedging instruments:				
- income (loss) recognised in the period as other comprehensive income				
- recognised as profit or loss				
- amounts recognised in the initial value of the hedged items				
Exchange differences on the measurement of foreign operations				
Exchange differences recognised as profit or loss – sale of foreign operations				
Share in other comprehensive income of companies measured using the equity method				
Income tax referred to the other comprehensive income				
Other comprehensive income after taxation				
Comprehensive income	1,183	6,279	933	6,259
Comprehensive income - share of:				
- shareholders of the Parent Company	1,183	6,279	933	6,259
- non-controlling parties				

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
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SEPARATE STATEMENT OF CHANGES IN EQUITY

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2012	1,262		24,863	9,902	21,471	57,498		57,498
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,262		24,863	9,902	21,471	57,498		57,498
Changes in equity in the period from 01/01 to 30/09/2012								
Purchase of shares		-126		-8,716		- 8,842		- 8,842
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 30/09/2012					6,279	6,279		6,279
Other comprehensive income after taxation in the period from 01/01 to 30/09/2012								
Total comprehensive income								
Transfer to retained profits (sale of revalued fixed assets)								
As at 30/09/2012	1,262	-126	24,863	1,186	27,750	54,935		54,935

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

SEPARATE STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2011	1,262		24,863	9,902	17,025	53,052		53,052
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,262		24,863	9,902	17,025	53,052		53,052
Changes in equity in the period from 01/01 to 30/09/2011								
Issue of shares								
Issue of shares in relation with the option exercise (share-based payment programme)								
Option measurement (share-based payment programme)								
Changes in the group structure (transactions with non-controlling parties)								
Dividends					- 5,048	- 5,048		- 5,048
Financial result recognised as equity								
Total transactions with shareholders					- 5,048	- 5,048		- 5,048
Net profit for the period from 01/01 to 30/09/2011					6,259	6,259		6,259
Other comprehensive income after taxation in the period from 01/01 to 30/09/2011								
Total comprehensive income					6,259	6,259		6,259
Transfer to retained profits (sale of revalued fixed assets)								
As at 30/09/2011	1,262		24,863	9,902	18,236	54,263		54,263

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
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SEPARATE STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2011	1,262		24,863	9,902	17,025	53,052		53,052
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes	1,262		24,863	9,902	17,025	53,052		53,052
Changes in equity in the period from 01/01 to 31/12/2011								
Issue of shares								
Issue of shares in relation with the option exercise (share-based payment programme)								
Option measurement (share-based payment programme)								
Changes in the group structure (transactions with non-controlling parties)								
Dividends					- 5,048	- 5,048		- 5,048
Financial result recognised as equity								
Total transactions with shareholders					- 5,048	- 5,048		- 5,048
Net profit for the period from 01/01 to 31/12/2011					9,494	9,494		9,494
Other comprehensive income after taxation in the period from 01/01 to 31/12/2011								
Total comprehensive income								
Transfer to retained profits (sale of revalued fixed assets)								
As at 31/12/2011	1,262		24,863	9,902	21,471	57,498		57,498

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
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SEPARATE CASH FLOW STATEMENT

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Cash flow from operating activity				
Profit (loss) before taxation	1,709	7,412	1,223	7,143
Adjustments:				
Depreciation of tangible fixed assets	285	774	292	1,149
Change in the fair value of investment properties				
Change in the fair value of financial assets (liabilities measured at fair value through profit or loss)				
Cash flow hedging instruments transferred from equity				
Impairment loss on financial assets				
Profit (loss) on the sale of non-financial fixed assets		68	-38	-59
Profit (loss) on the sale of financial assets (other than derivatives)				
Exchange difference gains/losses				
Interest expense	91	367	200	486
Interest and dividend income	-214	-4,003	-248	-3,843
Cost of share-based payments (incentive programmes)				
Share in the profit (loss) of associate companies				
Other adjustments				
Total adjustments	162	- 2,794	206	-2,258
Change in inventories	1,876	4,347	-471	3,901
Change in receivables	7,853	16,320	408	8,206
Change in liabilities	-16,916	-25,153	2,241	-8,122
Change in provisions and prepayments	73	-405	81	-437
Change in building contracts				
Changes in working capital	-7,115	-4,891	2,260	3,548
Inflows (outflows) from the settlement of derivatives				
Interest paid on operating activities				
Taxes paid	-48	-341	-58	-335
Net cash flow from operating activity	-5,292	-615	3,630	8,098

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

SEPARATE CASH FLOW STATEMENT (CONTINUED)

	from 01/07 to 30/09/2012	from 01/01 to 30/09/2012	from 01/07 to 30/09/2011	from 01/01 to 30/09/2011
Cash flow from investment activity				
Expenses to purchase fixed assets	-441	-738	-196	-361
Inflows from the sale of fixed assets		73	53	179
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	1000	5,800	4,700	14,850
Loans granted		-3,500	-4,200	-19,750
Expenses to purchase other financial assets				
Inflows from the sale of other financial assets				
Inflows from government subsidies received				
Interest income	214	847	922	1,016
Dividend income		3,156		3,225
Net cash flow from investing activity	773	5,637	1,279	-2,128
Cash flow from financial activity				
Net inflows from the issue of shares				
Purchase of treasury shares	-8,842	-8,842		
Transactions with non-controlling parties, with no loss of control				
Inflows from debt securities in issue				
Redemption of debt securities				
Inflows from loans and credits contracted				
Repayment of loans and advances	-428	-1,286	-2,127	-1,283
Repayment of financial lease liabilities				
Interest paid	-91	-367	-200	-496
Dividends paid				-5,048
Net cash flow from financial activity	-9,361	-10,494	-2,327	-6,827
Net change in cash and cash equivalents	-13,880	-5,472	2,582	-857
Cash and cash equivalents at period beginning	15,164	6,756	258	3,697
Exchange differences				
Cash and cash equivalents at period end	1,284	1,284	2,841	2,841

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/09/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

34. Approval for publication

The consolidated quarterly financial statements made for the period of 9 months ended on 30/09/2012 (including comparable data) have been approved for publication by the Parent Company's Management Board on 14 November 2012.

Signatures of all Management Board Members

Date	Name and surname	Position	Signature
14 November 2012	Rafał Stempniewicz	President of the Management Board	
14 November 2012	Stanisław Górski	Member of the Management Board	
14 November 2012	Robert Krasowski	Member of the Management Board	