

# TELL S.A. GROUP

## CONSOLIDATED QUARTERLY REPORT FOR THE FIRST QUARTER OF 2015

Poznań, 15 May 2015

## TABLE OF CONTENTS

SELECTED FINANCIAL DATA OF THE TELL S.A. GROUP	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	6
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONSOLIDATED CASH FLOW STATEMENT	12
ADDITIONAL INFORMATION	14
1. Rules applied in preparing this report, including information about changes to accounting policies (rules)	14
2. Description of the organisation of the issuer's group and indication of consolidated entities	15
3. 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;	16
4. Description of significant achievements of failures of the issuer in the reporting period	17
5. Description of factors and events, in particular extraordinary ones, having a significant influence on the financial results achieved	19
6. Operating segments	19
7. Explanations concerning the seasonality or cyclicity of the issuer's activities in the presented period	22
8. Information on the impairment of inventories to the net realisable value and reversal of impairment charge	23
9. Information about impairment of financial assets or other assets and on the reversal of impairment charges	23
10. Information on the creation, increase, utilisation and write-back of provisions	24
11. Information about deferred tax assets and liabilities	25
12. Business combinations	25
13. Information about material transactions of acquisition and disposal of tangible fixed assets	26
14. Information about material liabilities related to the purchase of tangible fixed assets	27
15. Information about material settlements resulting from cases vindicated in court	27
16. Indication of adjustments of errors of previous periods	27
17. 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	27
18. Information about a failure to repay a loan or credit or about a violation of material provisions of a loan or credit agreement	27
19. 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	28
20. In case of financial instruments carried at fair value - information about a change of the method of its determination	28
21. Information about a change in the classification of financial assets in consequence of a change of the purpose of utilisation of such assets	28
22. Information on the issue, redemption and repayment of non-share and equity securities	28
23. Information on the dividends paid (or declared), in total and as divided per share, with a breakdown into ordinary and preferential shares	28
24. Indication of events occurring after the date of these abbreviated quarterly financial statement which were not included in the statements and which could significantly influence the future financial results of the issuer;	28
25. Information on changes in contingent liabilities and contingent assets that occurred in the period after the end of the last financial year;	28
26. Information about material changes in estimates	29
27. 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)	29
28. 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	29
29. 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	31
30. Indication of court, arbitration or public administration proceedings	31
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	31
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	32
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.	33
SELECTED QUARTERLY FINANCIAL DATA OF TELL S.A.	35
SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.	36
SEPARATE STATEMENT OF PROFIT OR LOSS OF TELL S.A.	38

## TABLE OF CONTENTS

SEPARATE STATEMENT OF PROFIT OR LOSS AFTER ADJUSTMENTS RESULTING FROM THE CHANGE IN THE PRINCIPLES OF SALE COST AGGREGATION	39
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	40
SEPARATE STATEMENT OF CHANGES IN EQUITY OF TELL S.A.	41
SEPARATE CASH FLOW STATEMENT OF TELL S.A.	44
APPROVAL FOR PUBLICATION	46

## 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 31/03/2015	from 01/01 to 31/03/2014	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
	k PLN		k EUR	
Income statement				
Sale revenues	66,182	56,341	15,952	13,448
Operating profit (loss)	2,818	1,715	679	490
Profit (loss) before taxation	2,477	1,589	597	379
Net profit (loss)	1,953	1,267	471	302
Net profit (loss) - share of the shareholders of the Parent Company	1,921	1,267	463	302
Earnings per share (PLN; EUR)	0.38	0.25	0.09	0.06
Diluted earnings per share (PLN; EUR)	0.38	0.25	0.09	0.06
Average exchange rate PLN / EUR in the period	X	X	4.1489	4.1894
Cash Flow Statement				
Net cash flow from operating activity	-458	935	-110	223
Net cash flow from investing activity	-656	-366	-158	-87
Net cash flow from financial activity	1,047	-86	252	-21
Net change in cash and cash equivalents	-66	483	-16	115
Average exchange rate PLN / EUR in the period	X	X	4.1489	4.1894
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	k EUR		k PLN	
Balance sheet				
Assets	175,924	109,738	43,024	26,308
Long-term liabilities	14,106	7,154	3,450	1,715
Short-term liabilities	101,915	45,592	24,924	10,930
Shareholder's equity	59,903	56,992	14,650	13,663
Equity - share of the parent company shareholders	58,567	56,992	14,323	13,663
PLN / EUR exchange rate at period end	X	X	4.0890	4.1713

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: 31/03/2015 4.0890 PLN/EUR, 31/03/2014 4.1713 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 - 31/03/2015 4.1489 PLN/EUR, 01/01 - 31/03/2014 4.1894 PLN/EUR.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31/03/2015	31/03/2014	31/12/2014
<b>Fixed assets</b>			
Goodwill	68,917	57,581	57,581
Intangible fixed assets	3,530	708	593
Tangible fixed assets	12,272	4,392	4,917
Investment properties			
Interests in subsidiaries	160	1,287	
Interests in associates			
Receivables and loans	1,240	989	1,005
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	4	97	
Deferred income tax assets	2,217	1,121	836
<b>Fixed assets</b>	<b>88,340</b>	<b>66,176</b>	<b>64,931</b>
<b>Current assets</b>			
Inventories	12,969	9,090	12,745
Receivables from building services contracts			
Trade Receivables and Other Receivables	67,273	32,686	40,592
Current tax assets	99		65
Loans	18	23	27
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	5,095	687	294
Cash and cash equivalents	2,129	1,077	535
Fixed assets classified as held for sale			
<b>Current assets</b>	<b>87,583</b>	<b>43,563</b>	<b>54,258</b>
<b>Total assets</b>	<b>175,924</b>	<b>109,738</b>	<b>119,189</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>EQUITY AND LIABILITIES</b>	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/12/2014</b>
<b>Shareholder's equity</b>			
Equity - share of the parent company shareholders:			
Share capital	1,022	1,022	1,022
Treasury shares (-)			
Share premium	24,863	24,863	24,863
Other Capitals	1,459	1,459	1,459
Retained profits:			
- retained profit from previous years	29,301	28,380	23,269
- net profit for the parent company's shareholders	1,921	1,267	6,031
Equity - share of the parent company shareholders	58,567	56,992	56,645
Non-controlling shares	1,336		
<b>Shareholder's equity</b>	<b>59,903</b>	<b>56,992</b>	<b>56,645</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans, credits, other debt instruments	250		
Financial lease	3,183		
Financial derivatives			
Other liabilities			
Deferred income tax liabilities	8,206	7,087	7,309
Employee benefit liabilities	104	68	72
Other long-term provisions			
Long-term prepayments	2,363		
<b>Long-term liabilities</b>	<b>14,106</b>	<b>7,154</b>	<b>7,382</b>
<b>Short-term liabilities</b>			
Trade liabilities and other liabilities	52,058	35,443	45,980
Factoring liabilities	7,654		
Non-registered share issue liabilities	20,621		
Current tax liabilities	339	223	596
Loans, credits, other debt instruments	12,742	7,178	5,095
Financial lease	1,811		
Financial derivatives			
Employee benefit liabilities	6,516	2,747	3,492
Other short-term provisions			
Short-term prepayments	174		
Liabilities related to fixed assets held for sale			
<b>Short-term liabilities</b>	<b>101,915</b>	<b>45,592</b>	<b>55,162</b>
<b>Total provisions</b>	<b>116,021</b>	<b>52,746</b>	<b>62,544</b>
<b>Total equity and liabilities</b>	<b>175,924</b>	<b>109,738</b>	<b>119,189</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<b>Continued activities</b>		
<b>Sale revenues</b>	<b>66,182</b>	<b>56,341</b>
Revenues from the sale of products		
Revenue from the sale of services	42,013	33,555
Revenue from the sale of goods and materials	24,169	22,786
Sale costs	58,536	51,409
Costs of products sold		
Costs of services sold	34,701	28,968
Cost of goods and materials sold	23,835	22,441
<b>Gross profit (loss) on sales</b>	<b>7,646</b>	<b>4,933</b>
Sale costs	1,855	1,285
Administration costs	3,124	1,983
Other operating income	280	109
Other operating expense	128	59
Profit (loss) on the sale of subsidiaries (+/-)		
<b>Operating profit (loss)</b>	<b>2,818</b>	<b>1,715</b>
Financial income	40	19
Financial costs	381	145
Share in the profit (loss) of entities measured using the equity method (+/-)		
<b>Profit (loss) before taxation</b>	<b>2,477</b>	<b>1,589</b>
Income Tax	524	322
<b>Net profit (loss) on continued activities</b>	<b>1,953</b>	<b>1,267</b>
<b>Discontinued operations</b>		
Net profit (loss) on discontinued operations		
<b>Net profit (loss) - share of:</b>		
- shareholders of the Parent Company	1,921	1,267
- non-controlling parties	32	

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

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
on continued operations		
- basic	0.38	0.25
- diluted	0.38	0.25
on continued and discontinued operations		
- basic	0.38	0.25
- diluted	0.38	0.25

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	from 01/01 to 31/12/2015	from 01/01 to 31/12/2014
<b>Net profit (loss)</b>	<b>1,953</b>	<b>1,267</b>
<b>Other comprehensive income</b>		
<b>Items not carried as financial profit or loss</b>		
Revaluation of tangible assets		
Income tax referred to items not carried as financial profit or loss		
<b>Items carried as financial profit or loss</b>		
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		
<b>Comprehensive income</b>	<b>1,953</b>	<b>1,267</b>
<b>Comprehensive income - share of:</b>		
- shareholders of the Parent Company	1,921	1,267
- non-controlling parties	32	



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
<b>As at 01/01/2015</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>29,301</b>	<b>56,645</b>		<b>56,645</b>
Changes in accounting policies							
Adjustment of fundamental errors							
<b>Balance after changes</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>29,301</b>	<b>56,645</b>		<b>56,645</b>
<b>Changes in equity in the period from 01/01 to 31/03/2015</b>							
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)						1,305	<b>1,305</b>
Dividends							
Financial result recognised as equity							
Total transactions with shareholders							
Net profit for the period from 01/01 to 31/03/2015				1,921	1,921	32	<b>1,953</b>
Other comprehensive income after taxation in the period from 01/01 to 31/03/2015							
Total comprehensive income				1,921	1,921	32	<b>1,953</b>
Transfer to retained profits (sale of revalued fixed assets)							
<b>As at 31/03/2015</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>31,222</b>	<b>58,567</b>	<b>1,336</b>	<b>59,903</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
<b>As at 01/01/2014</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>28,380</b>	<b>55,725</b>		<b>55,725</b>
Changes in accounting policies							
Adjustment of fundamental errors							
<b>Balance after changes</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>28,380</b>	<b>55,725</b>		<b>55,725</b>
<b>Changes in equity in the period from 01/01 to 31/03/2014</b>							
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 31/03/2014				1,267	1,267		<b>1,267</b>
Other comprehensive income after taxation in the period from 01/01 to 31/03/2014							
Total comprehensive income				1,267	1,267		<b>1,267</b>
Transfer to retained profits (sale of revalued fixed assets)							
<b>As at 31/03/2014</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>29,647</b>	<b>56,992</b>		<b>56,992</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity - share of the parent company shareholders					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
<b>As at 01/12/2014</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>28,380</b>	<b>55,725</b>		<b>55,725</b>
Changes in accounting policies							
Adjustment of fundamental errors							
<b>Balance after changes</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>28,380</b>	<b>55,725</b>		<b>55,725</b>
<b>Changes in equity in the period from 01/01 to 31/12/2014</b>							
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		<b>-5,111</b>
Financial result recognised as equity							
Total transactions with shareholders				-5,111	-5,111		<b>-5,111</b>
Net profit for the period from 01/01 to 31/12/2014				6,031	6,031		<b>6,031</b>
Other comprehensive income after taxation in the period from 01/01 to 31/12/2014							
Total comprehensive income				6,031	6,031		<b>6,031</b>
Transfer to retained profits (sale of revalued fixed assets)							
<b>As at 31/12/2014</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>29,301</b>	<b>56,645</b>		<b>56,645</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

# CONSOLIDATED CASH FLOW STATEMENT

## CONSOLIDATED CASH FLOW STATEMENT

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<i>Cash flow from operating activity</i>		
<b>Profit (loss) before taxation</b>	<b>2,477</b>	<b>1,589</b>
<b>Adjustments:</b>		
Depreciation of tangible fixed assets	670	437
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	-22	-10
Profit (loss) on the sale of financial assets (other than derivatives)		
Exchange difference gains/losses		
Interest expense	35	81
Interest and dividend income	66	1
Cost of share-based payments (incentive programmes)		
Share in the profit (loss) of associate companies		
Other adjustments	-89	43
<b>Total adjustments</b>	<b>660</b>	<b>552</b>
Change in inventories	1,939	2,387
Change in receivables	1,180	11,526
Change in liabilities	-5,875	-12,865
Change in provisions and prepayments	-165	-645
Change in building contracts		
<b>Changes in working capital</b>	<b>-2,921</b>	<b>403</b>
Inflows (outflows) from the settlement of derivatives		
Interest paid on operating activities		
Taxes paid	-674	-1,609
<b>Net cash flow from operating activity</b>	<b>-458</b>	<b>935</b>

## CONSOLIDATED CASH FLOW STATEMENT

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<b><i>Cash flow from investing activity</i></b>		
Expenses to purchase fixed assets	-732	-374
Inflows from the sale of fixed assets	65	26
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	10	8
Loans granted		-25
Expenses to purchase other financial assets		
Inflows from the sale of other financial assets		
Inflows from government subsidies received		
Interest income	2	
Dividend income		
<b>Net cash flow from investing activity</b>	<b>-656</b>	<b>-366</b>
<b><i>Cash flow from financial activity</i></b>		
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	1,381	1,516
Repayment of loans and advances	-56	-1,479
Repayment of financial lease liabilities	-164	
Interest paid	-128	-122
Dividends paid		
<b>Net cash flow from financial activity</b>	<b>1,047</b>	<b>-86</b>
<b>Net change in cash and cash equivalents</b>	<b>-66</b>	<b>483</b>
Cash and cash equivalents at period beginning	535	593
Cash from business combination	1,660	
<b>Cash and cash equivalents at period end</b>	<b>2,129</b>	<b>1,077</b>

### ADDITIONAL INFORMATION

#### **1. Rules applied in preparing this report, including information about changes to accounting policies (rules)**

##### **1.1 Drawing up basis**

The consolidated quarterly financial statements of the Group cover the period of 3 months ended on 31/03/2015 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 31/12/2014 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 2014.

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.

##### **1.2 Accounting policies**

In the period from 01 January to 31 March 2015, the accounting principles did not change when it comes to the valuation of assets and liabilities and the measurement of the financial result.

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).

In the remaining scope, these quarterly 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.

No amendments to the published standards or interpretations that entered into force on or after 01 January 2015 have had any influence on these interim consolidated financial statements.

Consolidated financial statements for the period from 01/01 to 31/03/2014 before and after adjustment:

	from 01/01 to 31/03/2014 before adjustment	Adjustment	from 01/01 to 31/03/2014 after adjustment
<b>Sale revenues</b>	<b>56,341</b>		<b>56,341</b>
Revenue from the sale of services	33,555		33,555
Revenue from the sale of goods and materials	22,786		22,786
<b>Sale costs</b>	<b>42,547</b>	<b>8,862</b>	<b>51,409</b>
Costs of services sold	20,106	8,862	28,968
Cost of goods and materials sold	22,441		22,441
<b>Gross profit (loss) on sales</b>	<b>13,794</b>	<b>-8,862</b>	<b>4,933</b>
Sale costs	10,147	-8,862	1,285
Administration costs	1,983		1,983
Other operating income	109		109
Other operating expense	59		59
<b>Operating profit (loss)</b>	<b>1,715</b>	<b>0</b>	<b>1,715</b>

## 1.3 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 2014.

## 2. 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 subsidiaries presented in the table below:

Name of the Company	Registered office	% of shares/participations held	
		directly controlled	indirectly 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	
Ideacto sp. z o.o.	ul. Kościuszki 14, 50-038 Wrocław		30.01
Sendigo Sp. z o.o.	ul. Ołtaszyńska 92c/6, 53-034 Wrocław		25.99
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	



Ideacto Sp z o.o. is a subsidiary of Divante Sp. z o.o. Divante Sp. z o.o. holds 58.80% shares in Ideacto Sp. z o.o. Sendingo Sp. z o.o. is a subsidiary of Divante Sp. z o.o. Divante Sp. z o.o. holds 50.94% shares in Sendingo Sp. z o.o.

The Companies: Cursor S.A., Divante Sp. z o.o., Ideacto Sp. z o.o. and Sendingo 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 consolidation does not include Sendingo Sp. z o.o. and Ideacto Sp. z o.o. due to their immateriality.

### 3. 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. The description of business of the companies taken over can be found in section entitled 'Operating Segments'.

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 31/03/2015 is presented in the table below. Additionally, it should be stressed that due to the fact that Cursor S.A. and Divante Sp. o.o. are subject to consolidation exclusively in the month of March 2015, their influence on the revenues and costs achieved by the Issuer's Group in the quarters to come will be more significant.

	Total Group	Cursor S.A. + Divante Sp. z o.o.	Share % Cursor and Divante
Assets, including:	175,924	51,236	29
- including goodwill	68,917	11,336	16
Liabilities	116,021	40,453	35
Total income	66,502	11,022	17
Total costs	64,025	10,668	17

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%

## 4. Description of significant achievements of failures of the issuer in the reporting period

### 4.1 Performance of the Investment Agreement with OEX S.A.

The most important event concerning the Issuer in the reporting quarter 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 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).

## 4.2 Result summary

In the first quarter of 2015, the revenue from the sale in the TELL S.A. Group amounted to kPLN 66.182 and was higher by 17.5% than in the corresponding period of previous year.

The operating profit for the first quarter of 2015 amounted to kPLN 2.818 and was higher by 64.3% than in the corresponding period of previous year.

EBITDA of the first quarter of 2015 amounted to kPLN 3.488 and was higher by 62.0% than in the corresponding period of the previous year.

The net profit of the first quarter of 2014 was kPLN 1.953 and was higher than in the previous year by 54.1%.

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 March 2015.

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

Number of stores as at the end of the reporting quarter

	as at 31/03/2015	as at 31/03/2014	change y/y in pcs.	change y/y in %
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%
<b>Total stores</b>	<b>310</b>	<b>342</b>	<b>-32</b>	<b>90.6%</b>

Average number of stores in the reporting quarter

	average in the period from 01/01. to 31/03/2015	average in the period from 01/01. to 31/03/2014	change y/y in pcs.	change y/y in %
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%
<b>Total stores</b>	<b>311.7</b>	<b>343.7</b>	<b>-32.0</b>	<b>90.7%</b>

## 4.4 Revenue volumes and breakdown - the retail sale network management segment

	01/01 to 31/03/2015	01/01 to 31/03/2014	Change 2015/2014
Revenue from the sale of telecommunication services	24,252	22,314	108.69%
Sets and pre-paid refillments	3,680	4,183	87.98%
Postpaid contract phones	25,030	27,464	91.14%
Other revenue	2,246	2,503	89.71%
Total	55,209	56,464	97.78%

	01/01 to 31/03/2015	01/01 to 31/03/2014	Change 2015/2014
Service sale volume			
Postpaid activations	127,966	137,487	93.07%
Prepaid activations	24,011	29,428	81.59%
Total	151,977	166,915	91.05%

## 5. 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.

## 6. 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. Below are the descriptions of the segments, which constitute, at the same time, reporting segments.

- Retail Sale Network Management Segment
- Sale Support Segment
- E-business Segment

### 6.1 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.

Tell S.A. is an authorised Polish-wide representative of Orange S.A. It is the largest agent of Orange in Poland. The sale of the T-Mobile network services is ensured by Euro- Phone Sp. z o. o., and the sale of services and phones for the PLUS network is ensured by PTI Sp. z o. o.

### 6.2 Sale Support Segment

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

- outsourcing of sales representatives,
- merchandising and 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 who are not non-competitive with each other). 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 activities related to the consumer communication standard surveys by means of audits of the performance of agreements between retail outlets and producers as well as market research 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 with regard to the processing of purchases of** marketing materials and to the optimisation of packaging purchase processes. 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 preparation of prototypes, ensuring the consistency of product batches.

## 6.3 E-business Segment

This segment comprises services dedicated to the e-commerce, including the areas of technology, marketing and logistics, which are ensured by Cursor S.A. and Divante Sp. z o.o.

**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 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 technologies used include, but are not limited to, Magento and Pimcore, as well as the state-of-the-art approach to project management: 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.

Cursor SA manages an extensive warehousing infrastructure on the basis of WMS (warehouse management system). the Warehousing area is over 30,000 m<sup>2</sup> and has a storage capacity of 50,000 pallet places. The operation quality consistency is ensured by ISO 9001:2008.

### Revenues and results of operating segments:

	Sale network management	Sale Support	E- busine ss	Other	Total
<i>for the period from 01/01 to 31/03/2015</i>					

## ADDITIONAL INFORMATION

Revenue from external customers	55,209	5,423	5,550		66,182
Revenue from the sales between segments			24	285	309
Total income	55,209	5,423	5,575	285	66,491
Segment's operating result	2,521	260	-24		2,818
Financial income					40
Financial costs (-)					-381
Gross profit before tax					2,477
Income Tax					524
Net profit					1,953
EBIDTA	2,975	400	52		3,427
Amortisation and depreciation	454	139	77		670
<b>for the period from 01/01 to 31/03/2014</b>					
Revenue from external customers	56,341				56,341
Revenue from the sales between segments				123	123
Total income	56,341			123	56,464
Segment's operating result	1,715				1,715
Financial income					19
Financial costs (-)					-145
Gross profit before tax					1,589
Income Tax					322
Net profit					1,267
EBIDTA					2,153
Amortisation and depreciation					437

It should be noted that the revenues and performance of the segments: Sale Support and E-business, concern only the period of one month – 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 31/03/2015	01/01 to 31/03/2014
Poland	66,161	56,341
Lithuania	5	
Italy	16	
Total	66,182	56,341

## 7. 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.

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

Impairment of inventories:

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014	from 01/01 to 31/12/2014
As at period beginning	1,029	1,013	1,013
Loss expensed as cost in the period			16
Reversal of impairments in the period (-)			
Other changes (net exchange differences on conversion)			
<b>At period end</b>	<b>1,029</b>	<b>1,013</b>	<b>1,029</b>

## 9. 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 31/03/2015	from 01/01 to 31/03/2014	from 01/01 to 31/12/2014
As at period beginning	5,619	5,444	5,444
Loss expensed as cost in the period	85		314
Reversal of impairments carried as revenue in the period	-19		-98
Provisions used	-36		-40
Increase by business	534		
<b>At period end</b>	<b>6,188</b>	<b>5,444</b>	<b>5,619</b>



## 10. 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
<b>for the period from 01/01 to 31/03/2015</b>						
As at period beginning	72	1,021				1,021
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	32	372				390
Other changes (net exchange differences on conversion)						
Provisions as at 31/03/2015	104	1,393				1,393
<b>for the period from 01/01 to 31/03/2014</b>						
As at period beginning	68	1,106	680			1,853
Provision increase carried as expense in the period						
Provision increase carried as income in the period (-)						
Utilisation of provisions (-)			-260			-260
Increase in result of business combination						
Other changes (net exchange differences on conversion)						
Provisions as at 31/03/2014	68	1,106	420			1,593
<b>for the period from 01/01 to 31/12/2014</b>						
As at period beginning	68	1,106	680			1,853
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
Increase in result of business combination						
Other changes (net exchange differences on conversion)						
Provisions as at 31/12/2014	72	1,021	0			1,021

## 11. Information about deferred tax assets and liabilities

	31/03/2015	31/03/2014	31/12/2014
<b>As at period beginning:</b>			
Deferred income tax assets	836	1,133	1,133
Deferred income tax liabilities	7,309	7,017	7,017
<b>Deferred tax at period beginning</b>	<b>6,474</b>	<b>5,884</b>	<b>5,884</b>
Change in the period influencing:			
Result (+/-)	-457	-82	-589
Other comprehensive income (+/-)			
<b>Deferred tax at period end</b>	<b>5,988</b>	<b>5,966</b>	<b>6,474</b>
Deferred income tax assets	2,217	1,121	836
Deferred income tax liabilities	8,206	7,087	7,309

## 12. Business combinations

Below are presented the entities taken over by the Group in the period of the first three months 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		8,008	9,397
Divante Sp. z o.o.	05/03/2015	51.03%	3,216	1,305	2,581	1,938

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.

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	Divante
<b>Assets</b>		
Intangible fixed assets	2,572	421
Tangible fixed assets	6,688	625
Non-controlling		160
Deferred tax assets	1,121	70
Inventories	2,153	10
Receivables and loans	25,595	2,616
Other assets	4,597	31
Cash	1,032	629
Total assets	43,758	4,562
<b>Liabilities</b>		
Deferred tax liabilities	194	87
Loans, credits	6,558	
Trade liabilities	9,087	561
Other liabilities	19,911	1,333
Total provisions	35,750	1,981
Net asset fair value	8,008	2,581
Payment for the entity taken over	17,405	3,216
Net assets attributable to the non-controlling interests		1,305
Goodwill (+) / Profit (-)	9,397	1,938

## 13. 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
<b>for the period from 01/01 to 31/03/2015</b>					
Net carrying amount as at 01/01/2015	1,050	1,173	2,662	32	4,917
Acquisition by a business combination	1,008	3,894	1,593	817	7,313
Increase (acquisition, production, lease)	222		40	438	700
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-4	-36	-3	-65	-108
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-143	-234	-173		-549
Impairment charges					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/03/2015	2,134	4,797	4,119	1,222	12,272
<b>for the period from 01/01 to 31/03/2014</b>					

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)	192		195	30	417
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-1		-1	-45	-46
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-113	-108	-158		-379
Impairment charges					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/03/2014	1,111	951	2,313	18	4,392
<b>for the period from 01/01 to 31/12/2014</b>					
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)	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 charges					
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

## 14. 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.

## 15. Information about material settlements resulting from cases vindicated in court

Not applicable.

## 16. Indication of adjustments of errors of previous periods

Not applicable.

## 17. 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.

## 18. 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.

**19. 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.

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

Not applicable.

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

Not applicable.

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

In the reporting quarter, 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 24/04/2015.

**23. 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 this report, no dividend payment was made or declared.

**24. Indication of events occurring after the date of these abbreviated quarterly 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 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.

**25. 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:

	31/03/2015	31/03/2014	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	30,710	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			
Total contingent liabilities	30,710	34,105	32,282

## 26. Information about material changes in estimates

No material changes in estimates.

## 27. 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 2015.

## 28. 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

## ADDITIONAL INFORMATION

As at the date of presentation of the report for the first quarter 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:

- 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 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%
<b>Total</b>	<b>5,324,609</b>	<b>6,705,921</b>	<b>77.29%</b>	<b>81.10%</b>

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

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 2014.

Shareholder	Total shares	Total votes	Share capital held	% of votes
Neo Fund 1 Sp. z o. o.*	1,279,860*	2,501,564	25.04%	38.53%
Waldemar Ziomek	453,648	613,256	8.88%	9.45%
AVIVA Investors FIO** AVIVA Investors SFIO	657,672	657,672	12.87%	10.13%
Quercus Parasolowy SFIO, Quercus Absolute Return FIZ	877,179	877,179	17.16%	13.51%
MS Investment Sp. z o.o. sk	530,032	530,032	10.37%	8.16%
<b>Total</b>	<b>3,798,391</b>	<b>5,179,703</b>	<b>74.32%</b>	<b>79.78%</b>

\* Shares acquired indirectly by Neo Investment spółka akcyjna.

\*\* 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.

## 29. 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

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
<b>Members of the Supervisory Board</b>				
Paweł Turno	30,000	30,000	0.44%	0.36%
Piotr Cholewa	52,816	52,816	0.77%	0.64%
<b>Management Board</b>				
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%

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 2014.

	Total shares	Total votes	Share capital held	% of votes
<b>Members of the Supervisory Board</b>				
Paweł Turno	30,000	30,000	0.59%	0.46%
<b>Management Board</b>				
Rafał Stempniewicz	94,590	94,590	1.85%	1.46%
Stanisław Górski	2,319	2,319	0.05%	0.04%
Robert Krasowski	4,924	4,924	0.10%	0.08%

## 30. 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.

## 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

Not applicable.



### **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 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., Europhone 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. The system was changed in March 2013. Currently, the Company 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).

If all companies of the issuer's Group cooperating with the mobile phone operators settled the value of subsidised phones in the same way as Tell S.A., the revenues of the Retail Sale Network Management operating segment would amount to in Q1/2015 and Q1/2014, respectively, kPLN 44,541 and kPLN 41,607. In turn, the costs of sale in Q1/2015 and Q1/2014 would be, respectively, kPLN 42.020 and kPLN 36.674.

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.

### **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 that will impact the performance of the Tell S.A. Group in subsequent quarters are as follows:

#### **33.1 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 considerable increases in the balance sheet items, revenues, costs and particular levels of the financial result when compared to the comparable periods of 2014.

### 33.2 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 30% of the network as at the end of this quarter. 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.

### 33.3 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 related to the representative agreements and cooperation agreements will take place on 30 June 2015. Euro-phone Sp. z o.o. expects that as a result of that 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.

## SELECTED QUARTERLY FINANCIAL DATA OF TELL S.A.

### SELECTED QUARTERLY 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 31/03/2015	from 01/01 to 31/03/2014	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
	k PLN		k EUR	
<b><i>Income statement</i></b>				
Sale revenues	23,809	18,989	5,739	4,533
Operating profit (loss)	1,615	1,077	389	257
Profit (loss) before taxation	1,384	1,170	334	279
Net profit (loss)	1,090	933	263	223
Net profit (loss) - share of the shareholders of the Parent Company	1,090	933	263	223
Earnings per share (PLN; EUR)	0.21	0.18	0.05	0.04
Diluted earnings per share (PLN; EUR)	0.21	0.18	0.05	0.04
Average exchange rate PLN / EUR in the period	X	X	4.1489	4.1894
<b><i>Cash Flow Statement</i></b>				
Net cash flow from operating activity	3,123	729	753	174
Net cash flow from investing activity	-350	-2,210	-84	-528
Net cash flow from financial activity	-2,479	1,455	-598	347
Net change in cash and cash equivalents	293	-27	71	-6
Average exchange rate PLN / EUR in the period	X	X	4.1489	4.1894
	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/03/2015</b>	<b>31/03/2014</b>
	k PLN		k EUR	
<b><i>Balance sheet</i></b>				
Assets	108,275	83,675	26,480	20,060
Long-term liabilities	4,097	4,087	1,002	980
Short-term liabilities	47,297	23,287	11,567	5,583
Shareholder's equity	56,882	56,302	13,911	13,597
Equity - share of the parent company shareholders	56,882	56,302	13,911	13,497
PLN / EUR exchange rate at period end	X	X	4.0890	4.1713

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: 31/03/2015 4.0890 PLN/EUR, 31/03/2014 4.1713 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 - 31/03/2015 4.1489 PLN/EUR, 01/01 - 31/03/2014 4.1894 PLN/EUR.

## SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.

### SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.

ASSETS	31/03/2015	31/03/2014	31/12/2014
<i>Fixed assets</i>			
Goodwill	21,298	21,298	21,298
Intangible fixed assets	305	385	343
Tangible fixed assets	3,889	2,893	3,672
Investment properties			
Interests in subsidiaries	44,970	25,636	24,349
Interests in associates			
Receivables	343	359	348
Financial derivatives			
Other long-term financial assets			
Long-term prepayments		97	
Deferred income tax assets	307	529	314
Fixed assets	71,113	51,197	50,325
<i>Current assets</i>			
Inventories	8,865	6,009	10,087
Receivables from building services contracts			
Trade Receivables and Other Receivables	21,159	17,142	25,281
Current tax assets			
Loans	6,282	8,582	6,282
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	360	546	248
Cash and cash equivalents	496	200	203
Fixed assets classified as held for sale			
Current assets	37,163	32,478	42,101
<b>Total assets</b>	<b>108,275</b>	<b>83,675</b>	<b>92,426</b>

## SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.

<b>EQUITY AND LIABILITIES</b>	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/12/2014</b>
<i>Shareholder's equity</i>			
<i>Equity - share of the parent company shareholders:</i>			
Share capital	1,022	1,022	1,022
Treasury shares (-)			
Share premium	24,863	24,863	24,863
Other Capitals	1,459	1,459	1,459
Retained profits:			
- retained profit (loss)	28,447	28,025	22,914
- net profit (loss) for the parent company's shareholders	1,090	933	5,533
Equity - share of the parent company shareholders	56,882	56,302	55,792
Non-controlling shares			
Shareholder's equity	56,882	56,302	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	42,776	18,033	25,659
Current tax liabilities	242	223	578
Loans, credits, other debt instruments	1,586	3,169	4,036
Financial lease			
Financial derivatives			
Employee benefit liabilities	2,693	1,861	2,264
Other short-term provisions			
Short-term prepayments			
Liabilities related to fixed assets held for sale			
Short-term liabilities	47,297	23,287	32,537
Total provisions	51,393	27,373	36,634
<b>Total equity and liabilities</b>	<b>108,275</b>	<b>83,675</b>	<b>92,426</b>

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

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

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<i>Continued activities</i>		
Sale revenues	23,809	18,989
Revenues from the sale of products		
Revenue from the sale of services	14,934	13,759
Revenue from the sale of goods and materials	8,875	5,230
Sale costs	20,076	15,739
Costs of products sold		
Costs of services sold	11,341	10,654
Cost of goods and materials sold	8,736	5,085
Gross profit (loss) on sales	3,733	3,250
Sale costs	849	806
Administration costs	1,388	1,379
Other operating income	140	42
Other operating expense	21	31
Profit (loss) on the sale of subsidiaries (+/-)		
Operating profit (loss)	1,615	1,077
Financial income	122	154
Financial costs	353	60
Share in the profit (loss) of entities measured using the equity method (+/-)		
Profit (loss) before taxation	1,384	1,170
Income Tax	294	238
Net profit (loss) on continued activities	1,090	933
<i>Discontinued operations</i>		
Net profit (loss) on discontinued operations		
Net profit (loss)	1,090	933
Net profit (loss) - share of:		
- shareholders of the Parent Company	1,090	933
- non-controlling parties		

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

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<i>on continued operations</i>		
- basic	0.21	0.18
- diluted	0.21	0.18
<i>on continued and discontinued operations</i>		
- basic	0.21	0.18
- diluted	0.21	0.18

## SEPARATE STATEMENT OF PROFIT OR LOSS AFTER ADJUSTMENTS RESULTING FROM THE CHANGE IN THE PRINCIPLES OF SALE COST AGGREGATION

### SEPARATE STATEMENT OF PROFIT OR LOSS AFTER ADJUSTMENTS RESULTING FROM THE CHANGE IN THE PRINCIPLES OF SALE COST AGGREGATION

	from 01/01 to 31/03/2014 before adjustment	Adjustment	from 01/01 to 31/03/2014 after adjustment
<b>Sale revenues</b>	<b>18,989</b>		<b>18,989</b>
Revenue from the sale of services	13,759		13,759
Revenue from the sale of goods and materials	5,230		5,230
<b>Sale costs</b>	<b>9,657</b>	<b>6,082</b>	<b>15,739</b>
Costs of services sold	4,572	6,082	10,654
Cost of goods and materials sold	5,085		5,085
<b>Gross profit (loss) on sales</b>	<b>9,333</b>	<b>-6,082</b>	<b>3,250</b>
Sale costs	6,888	-6,082	806
Administration costs	1,379		1,379
Other operating income	42		42
Other operating expense	31		31
<b>Operating profit (loss)</b>	<b>1,077</b>	<b>0</b>	<b>1,077</b>



## SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	from 01/01 to 31/12/2015	from 01/01 to 31/12/2014
Net profit (loss)	1,090	933
<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	1,090	933
Comprehensive income - share of:		
- shareholders of the Parent Company	1,090	933
- non-controlling parties		

# 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						Non-controlling shares	TOTAL EQUITY
	Share capital	Own shares	Share premium	Other capitals	Retained profits	Total		
<b>As at 01/01/2015</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>28,447</b>	<b>55,792</b>		<b>55,792</b>
Changes in accounting policies								
Adjustment of fundamental errors								
<b>Balance after changes</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>28,447</b>	<b>55,792</b>		<b>55,792</b>
<b>Changes in equity in the period from 01/01 to 31/03/2015</b>								
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 31/03/2015					1,090	1,090		1,090
Other comprehensive income after taxation in the period from 01/01 to 31/03/2015								
Total comprehensive income					1,090	1,090		1,090
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 31/03/2015</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>29,537</b>	<b>56,882</b>		<b>56,882</b>

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

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Share capital	Own shares	Share premium	Other capitals	Retained profits	Total		
<b>As at 01/01/2015</b>	<b>1,022</b>		<b>24,862</b>	<b>1,459</b>	<b>28,025</b>	<b>55,369</b>		<b>55,369</b>
Changes in accounting policies								
Adjustment of fundamental errors								
<b>Balance after changes</b>	<b>1,022</b>		<b>24,862</b>	<b>1,459</b>	<b>28,025</b>	<b>55,369</b>		<b>55,369</b>
<b>Changes in equity in the period from 01/01 to 31/03/2015</b>								
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 31/03/2015					933	933		933
Other comprehensive income after taxation in the period from 01/01 to 31/03/2015								
Total comprehensive income					933	933		933
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 31/03/2015</b>	<b>1,022</b>		<b>24,862</b>	<b>1,459</b>	<b>28,957</b>	<b>56,302</b>		<b>56,302</b>

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

	Equity - share of the company shareholders						Non-controlling shares	TOTAL EQUITY
	Share capital	Treasury shares	Share premium	Other capitals	Retained profits	Total		
<b>As at 01/01/2014</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>28,025</b>	<b>55,369</b>		<b>55,369</b>
Changes in accounting policies								
Adjustment of fundamental errors								
<b>Balance after changes</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>28,025</b>	<b>55,369</b>		<b>55,369</b>
<b>Changes in equity in the period from 01/01 to 31/03/2014</b>								
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		-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					5,533	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		5,533
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 31/12/2014</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>28,447</b>	<b>55,792</b>		<b>55,792</b>

# SEPARATE CASH FLOW STATEMENT OF TELL S.A.

## SEPARATE CASH FLOW STATEMENT OF TELL S.A.

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<b><i>Cash flow from operating activity</i></b>		
Profit (loss) before taxation	1,384	1,170
<i>Adjustments:</i>		
Depreciation of tangible fixed assets	306	279
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	-12	
Profit (loss) on the sale of financial assets (other than derivatives)		
Exchange difference gains/losses		
Interest expense	29	60
Interest and dividend income	-122	-154
Cost of share-based payments (incentive programmes)		
Share in the profit (loss) of associate companies		
Other adjustments		
Total adjustments	201	185
Change in inventories	1,222	1,553
Change in receivables	4,127	8,530
Change in liabilities	-3,075	-8,581
Change in provisions and prepayments	-112	-551
Change in building contracts		
Changes in working capital	2,162	950
Inflows (outflows) from the settlement of derivatives		
Interest paid on operating activities		
Taxes paid	-625	-1,577
<b>Net cash flow from operating activity</b>	<b>3,123</b>	<b>729</b>

# SEPARATE CASH FLOW STATEMENT OF TELL S.A.

	from 01/01 to 31/03/2015	from 01/01 to 31/03/2014
<b><i>Cash flow from investing activity</i></b>		
Expenses to purchase fixed assets	-520	-337
Inflows from the sale of fixed assets	47	
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		1,050
Loans granted		-3,050
Expenses to purchase other financial assets		
Inflows from the sale of other financial assets		
Inflows from government subsidies received		
Interest income	122	126
Dividend income		
Net cash flow from investing activity	-350	-2,210
<b><i>Cash flow from financial activity</i></b>		
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		1,516
Repayment of loans and advances	-2,450	
Repayment of financial lease liabilities		
Interest paid	-29	-60
Dividends paid		
Net cash flow from financial activity	-2,479	1,455
Net change in cash and cash equivalents	293	-27
Cash and cash equivalents at period beginning	203	226
Exchange differences		
Cash and cash equivalents at period end	496	200

# APPROVAL FOR PUBLICATION

## APPROVAL FOR PUBLICATION

The consolidated quarterly financial statements made for the period of 3 months ended on 31/03/2015 (including comparable data) have been approved for publication by the Parent Company's Management Board on 15 May 2015.

Signatures of all Management Board Members

Data	Name and surname	Position	Signature
15 May 2015	Rafał Stempniewicz	President of the Management Board	
15 May 2015	Stanisław Górski	Member of the Management Board	
15 May 2015	Robert Krasowski	Member of the Management Board	