

# TELL S.A. GROUP

## CONSOLIDATED QUARTERLY REPORT FOR THE THIRD QUARTER OF 2015

Poznań, 05 November 2015

## TABLE OF CONTENTS

TABLE OF CONTENTS	1
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	11
SUPPLEMENTARY NOTES	13
1. Rules applied in preparing this report, including information about changes to accounting policies (rules)	13
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 or 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	23
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	24
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	26
13. Information about material transactions of acquisition and disposal of tangible fixed assets	28
14. Information about material liabilities related to the purchase of tangible fixed assets	29
15. Information about material settlements resulting from cases vindicated in court	29
16. Indication of adjustments of errors of previous periods	29
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	29
18. Information about a failure to repay a loan or credit or about a violation of material provisions of a loan or credit agreement	29
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	29
20. In case of financial instruments carried at fair value - information about a change of the method of its determination	29
21. Information about a change in the classification of financial assets in consequence of a change of the purpose of utilisation of such assets	29
22. Information on the issue, redemption and repayment of non-share and equity securities	29
23. Information on the dividends paid (or declared), in total and as divided per share, with a breakdown into ordinary and preferential shares	29
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;	30
25. Information on changes in contingent liabilities and contingent assets that occurred in the period after the end of the last financial year;	31
26. Information about material changes in estimates	31
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)	31
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	32
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	34
30. Indication of court, arbitration or public administration proceedings	34
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	35
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	35
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.	36
SELECTED QUARTERLY FINANCIAL DATA OF TELL S.A.	38
SEPARATE STATEMENT OF FINANCIAL POSITION OF TELL S.A.	39
SEPARATE STATEMENT OF PROFIT OR LOSS OF TELL S.A.	41

## TABLE OF CONTENTS

SEPARATE STATEMENT OF PROFIT OR LOSS AFTER ADJUSTMENTS RESULTING FROM THE CHANGE IN THE PRINCIPLES OF SALE COST AGGREGATION	42
SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	43
SEPARATE STATEMENT OF CHANGES IN EQUITY OF TELL S.A.	44
SEPARATE CASH FLOW STATEMENT OF TELL S.A.	47
APPROVAL FOR PUBLICATION	49

## SELECTED FINANCIAL DATA OF THE TELL S.A. GROUP

### SELECTED FINANCIAL DATA OF THE TELL S.A. GROUP

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

	from 01/01 to 30/09/2015	from 01/01 to 30/09/2014	from 01/01 to 30/09/2015	from 01/01 to 30/09/2014
	k PLN		k EUR	
Income statement				
Sale revenues	247,004	186,931	59,397	44,717
Operating profit (loss)	11,170	6,688	2,686	1,600
Profit (loss) before tax	9,659	5,628	2,323	1,346
Net profit (loss)	7,506	4,531	1,805	1,084
Net profit (loss) - share of the shareholders of the Parent Company	6,516	4,531	1,567	1,084
Earnings per share (PLN; EUR)	1.06	0.89	0.25	0.21
Diluted earnings per share (PLN; EUR)	1.06	0.89	0.25	0.21
Average exchange rate PLN / EUR in the period	X	X	4.1585	4.1803
Cash flow statement				
Net cash flow from operating activity	6,671	10,699	1,604	2,559
Net cash flow from investing activity	-3,366	-1,574	-809	-377
Net cash flow from financial activity	-670	-6,815	-161	-1,630
Net change in cash and cash equivalents	2,635	2,310	634	553
Average exchange rate PLN / EUR in the period	X	X	4.1585	4.1803
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	k EUR		k PLN	
Balance sheet				
Assets	178,119	113,491	42,023	27,180
Long-term liabilities	13,833	7,302	3,264	1,749
Short-term liabilities	78,632	45,933	18,551	11,001
Equity	85,654	60,256	20,208	14,431
Equity - share of the parent company shareholders	83,613	60,256	19,727	14,431
PLN / EUR exchange rate at period end	X	X	4.2386	4.1755

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: 30/09/2015 4.2386 PLN/EUR, 30/09/2014 4.1755 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 - 30/09/2015 4.1585 PLN/EUR, 01/01 - 30/09/2014 4.1803 PLN/EUR.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30/09/2015	30/09/2014	31/12/2014
<b>Fixed assets</b>			
Goodwill	68,385	57,581	57,581
Intangible fixed assets	6,157	578	593
Tangible fixed assets	13,372	4,811	4,917
Investment properties			
Interests in subsidiaries	55	1,287	
Investments in associates			
Receivables and loans	1,100	995	1,005
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	10		
Deferred income tax assets	2,571	998	836
<b>Non-current assets</b>	<b>91,650</b>	<b>66,250</b>	<b>64,931</b>
<b>Current assets</b>			
Inventories	11,429	9,786	12,745
Receivables from building services contracts			
Trade Receivables and Other Receivables	66,557	34,020	40,592
Current tax assets	26	69	65
Loans	4	31	27
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	5,283	432	294
Cash and cash equivalents	3,170	2,903	535
Fixed assets classified as held for sale			
<b>Current assets</b>	<b>86,469</b>	<b>47,241</b>	<b>54,258</b>
<b>Total assets</b>	<b>178,119</b>	<b>113,491</b>	<b>119,189</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>EQUITY AND LIABILITIES</b>	<b>30/09/2015</b>	<b>30/09/2014</b>	<b>31/12/2014</b>
<b>Equity</b>			
Equity - share of the parent company shareholders:			
Share capital	1,378	1,022	1,022
Treasury shares (-)			
Share premium	44,960	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	6,516	4,531	6,031
Equity - share of the parent company shareholders	83,613	60,256	56,645
Non-controlling shares	2,041		
<b>Equity</b>	<b>85,654</b>	<b>60,256</b>	<b>56,645</b>
<b>Payables</b>			
<b>Long-term liabilities</b>			
Loans, credits, other debt instruments	137		
Finance leases	2,731		
Financial derivatives			
Other liabilities			
Deferred income tax liabilities	8,527	7,235	7,309
Employee benefit liabilities	64	68	72
Other long-term provisions			
Long-term prepayments	2,374		
<b>Long-term liabilities</b>	<b>13,833</b>	<b>7,302</b>	<b>7,382</b>
<b>Short-term liabilities</b>			
Trade liabilities and other liabilities	48,856	42,692	45,980
Factoring liabilities	10,548		
Current tax liabilities	1,171	51	596
Loans, credits, other debt instruments	9,415	645	5,095
Finance leases	1,917		
Financial derivatives			
Employee benefit liabilities	6,586	2,545	3,492
Other short-term provisions			
Short-term prepayments	140		
Liabilities related to fixed assets held for sale			
<b>Short-term liabilities</b>	<b>78,632</b>	<b>45,933</b>	<b>55,162</b>
<b>Total provisions</b>	<b>92,465</b>	<b>53,235</b>	<b>62,544</b>
<b>Total equity and liabilities</b>	<b>178,119</b>	<b>113,491</b>	<b>119,189</b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<b>Continued activities</b>				
<b>Sale revenues</b>	<b>91,361</b>	<b>247,004</b>	<b>65,872</b>	<b>186,931</b>
Revenue from the sale of services	63,589	169,095	35,221	105,232
Revenue from the sale of goods and materials	27,772	77,909	30,650	81,699
Cost of sales	77,707	213,210	60,746	169,857
Costs of services sold	50,754	137,719	30,489	89,222
Cost of goods and materials sold	26,953	75,490	30,257	80,635
<b>Gross profit (loss) on sales</b>	<b>13,653</b>	<b>33,794</b>	<b>5,126</b>	<b>17,074</b>
Selling costs	2,609	7,669	1,227	4,124
Administration costs	6,066	15,270	1,954	6,187
Other operating revenues	407	1,128	284	575
Other operational expenses	270	813	117	650
Profit (loss) on the sale of subsidiaries (+/-)				
<b>Operating profit (loss)</b>	<b>5,115</b>	<b>11,170</b>	<b>2,111</b>	<b>6,688</b>
Financial income	5	211	26	62
Financial costs	726	1,722	487	1,123
Share in the profit (loss) of entities measured using the equity method (+/-)				
<b>Profit (loss) before tax</b>	<b>4,394</b>	<b>9,659</b>	<b>1,650</b>	<b>5,628</b>
Income tax	946	2,153	216	1,096
<b>Net profit (loss) on continued activities</b>	<b>3,448</b>	<b>7,506</b>	<b>1,434</b>	<b>4,531</b>
<b>Discontinued operations</b>				
Net profit (loss) on discontinued operations				
<b>Net profit (loss) - share of:</b>				
- shareholders of the Parent Company	2,902	6,516	1,434	4,531
- non-controlling parties	546	990		

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

	from 01/01 to 30/09/2015	from 01/01 to 30/09/2014
on continued operations		
- basic	1.06	0.89
- diluted	1.06	0.89
on continued and discontinued operations		
- basic	1.06	0.89
- diluted	1.06	0.89

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

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

	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<b>Net profit (loss)</b>	3,448	7,506	1,434	4,531
<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>	3,448	7,506	1,434	4,531
<b>Comprehensive income - share of:</b>				
- shareholders of the Parent Company	2,902	6,516	1,434	4,531
- non-controlling parties	546	990		



## 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 30/09/2015</b>							
Issue of shares	356	20,097			20,452		<b>20,452</b>
Business combination						1,298	<b>1,298</b>
Option measurement (share-based payment programme)							
Changes in the group structure (transactions with non-controlling parties)							
Dividends via subsidiaries						-247	<b>-247</b>
Financial result recognised as equity							
Total transactions with shareholders	356	20,097			20,452	1,051	<b>21,503</b>
Net profit for the period from 01/01 to 30/09/2015				6,516	6,516	990	<b>7,506</b>
Other comprehensive income after taxation in the period from 01/01 to 30/09/2015							
Total comprehensive income				6,516	6,516	990	7,506
Transfer to retained profits (sale of revalued fixed assets)							
<b>As at 30/09/2015</b>	<b>1,378</b>	<b>44,960</b>	<b>1,459</b>	<b>35,816</b>	<b>83,613</b>	<b>2,041</b>	<b>85,654</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 30/09/2014</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 30/09/2014				4,531	4,531		4,531
Other comprehensive income after taxation in the period from 01/01 to 30/09/2014							
Total comprehensive income				4,531	4,531		4,531
Transfer to retained profits (sale of revalued fixed assets)							
<b>As at 30/09/2014</b>	<b>1,022</b>	<b>24,863</b>	<b>1,459</b>	<b>32,912</b>	<b>60,256</b>		<b>60,256</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 CASH FLOW STATEMENT

	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<i><b>Cash flow from operating activity</b></i>				
<b>Profit (loss) before tax</b>	<b>4,394</b>	<b>9,659</b>	<b>1,650</b>	<b>5,628</b>
<i><b>Adjustments:</b></i>				
Depreciation of tangible fixed assets	1,154	2,957	445	1,339
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	-36	-209	26	16
Profit (loss) on the sale of financial assets (other than derivatives)				
Exchange difference gains/losses				
Interest expense	198	527	39	241
Interest and dividend income		-5	-8	-10
Cost of share-based payment				
Share in the profit (loss) of associate companies				
Other adjustments	10	10	31	105
<b>Total adjustments</b>	<b>1,326</b>	<b>3,279</b>	<b>533</b>	<b>1,691</b>
Change in inventories	3,663	3,469	-701	1,691
Change in receivables	7,073	2,123	6,109	10,022
Change in liabilities	-8,314	-9,634	653	-5,471
Change in provisions and prepayments	-943	-331	-10	-651
Change in building contracts				
<b>Changes in working capital</b>	<b>1,479</b>	<b>-4,373</b>	<b>6,051</b>	<b>5,591</b>
Inflows (outflows) from the settlement of derivatives				
Interest paid on operating activities				
Taxes paid	-547	-1,894	-479	-2,211
<b>Net cash flow from operating activity</b>	<b>6,652</b>	<b>6,671</b>	<b>7,755</b>	<b>10,699</b>

## CONSOLIDATED CASH FLOW STATEMENT

	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<b><i>Cash flow from investing activity</i></b>				
Expenses to purchase fixed assets	-1,539	-5,390	-763	-1,686
Inflows from the sale of fixed assets	60	154	58	121
Expenses to purchase investment properties				
Inflows from the sale of investment properties				
Net expenses to purchase subsidiaries	-55	-55		
Net inflows from the sale of subsidiaries	236	236		
Received repayments of loans granted	8	23	5	16
Loans granted				-46
Expenses to purchase other financial assets				
Inflows from the sale of other financial assets				
Inflows from government subsidies received				
Interest income		5	19	20
Cash from business combination		1,660		
<b>Net cash flow from investing activity</b>	<b>-1,290</b>	<b>-3,366</b>	<b>-681</b>	<b>-1,574</b>
<b><i>Cash flow from financial activity</i></b>				
Cost of share issue	-169	-169		
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		1,529		
Repayment of loans and advances	-2,829		-5,873	-6,497
Repayment of financial lease liabilities	-579	-1,257		
Interest paid	-198	-526	-53	-318
Dividends paid	-100	-247		
<b>Net cash flow from financial activity</b>	<b>-3,875</b>	<b>-670</b>	<b>-5,926</b>	<b>-6,815</b>
<b>Net change in cash and cash equivalents</b>	<b>1,488</b>	<b>2,635</b>	<b>1,148</b>	<b>2,310</b>
Cash and cash equivalents at period beginning	1,682	535	1,755	593
Cash from business combination				
<b>Cash and cash equivalents at period end</b>	<b>3,170</b>	<b>3,170</b>	<b>2,903</b>	<b>2,903</b>

## SUPPLEMENTARY NOTES

**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 9 months ended on 30/09/2015 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 30 September 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 01/07 to 30/09/2014 before and after adjustment:

	from 01/07 to 30/09/2014 before adjustment	Adjustment	from 01/07 to 30/09/2014 after adjustment
<b>Revenue from sales</b>	<b>65,872</b>		<b>65,872</b>
Revenue from the sale of services	35,221		35,221
Revenue from the sale of goods and materials	30,650		30,650
Cost of sales	51,971	8,775	60,746
Costs of services sold	21,714	8,775	30,489
Cost of goods and materials sold	30,257		30,257
Gross profit (loss) on sales	13,901	- 8,775	5,126
Selling costs	10,002	-8,775	1,227
Administration costs	1,954		1,954
Other operating revenues	284		284
Other operational expenses	117		117
<b>Operating profit (loss)</b>	<b>2,111</b>	<b>0</b>	<b>2,111</b>

Consolidated financial statements for the period from 01/01 to 30/09/2014 before and after adjustment:

	from 01/01 to 30/09/2014 before adjustment	Adjustment	from 01/01 to 30/09/2014 after adjustment
<b>Revenue from sales</b>	<b>186,931</b>		<b>186,931</b>
Revenue from the sale of services	105,232		105,232
Revenue from the sale of goods and materials	81,699		81,699
<b>Cost of sales</b>	<b>143,727</b>	<b>26,130</b>	<b>169,857</b>
Costs of services sold	63,092	26,130	89,222
Cost of goods and materials sold	80,635		80,635
<b>Gross profit (loss) on sales</b>	<b>43,204</b>	<b>-26,130</b>	<b>17,074</b>
Selling costs	30,254	-26,130	4,124
Administration costs	6,187		6,187
Other operating revenues	575		575
Other operational expenses	650		650
<b>Operating profit (loss)</b>	<b>6,688</b>	<b>0</b>	<b>6,688</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	
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	
OTI Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	
TRS Services Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa		100

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

In the third quarter, OTI Sp. z o.o. (where Tell S.A. is the only shareholder) and TRS Services Sp. z o.o. (where the only shareholder is Cursor S.A.) were established.

OTI Sp. z o.o. was established in the performance of resolution of the General Meeting of Shareholders of 30 September 2015 concerning the spin-off from Tell S.A. of operating activities concerning the provision of services on the basis of the agency agreement with Orange Polska S.A. TRS Services Sp. z o.o. was established in order to accommodate the future spin-off of the Sale Support Segment from Cursor S.A. As at the date of this report, the above-mentioned companies do not carry on any business activities.

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.

Also the newly established companies are not subject to consolidation because they do not carry out any business activity.



**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 allowed 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 30/09/2015 is presented in the table below.

	<b>Total Group</b>	<b>Cursor S.A. + Divante Sp. z o. o.</b>	<b>Share % Cursor and Divante</b>
Assets, including:	178,119	61,016	34
- including goodwill	68,385	10,804	16
Payables	92,465	46,298	50
Total revenue	248,342	88,537	36
Total costs	238,683	83,255	35

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 Result summary

In the third quarter of 2015, the revenue from the sale in the TELL S.A. Group amounted to kPLN 91.361 and was higher by 38.7% than in the corresponding period of previous year. After three quarters of 2015, the YTD revenue from the sale amounted to kPLN 247.004 and decreased by 32.1% when compared to the three quarters of 2014.

The operating profit for the third quarter of 2015 amounted to kPLN 5.115 and was higher by 142.3% than in the corresponding period of previous year. After three quarters of 2015, the YTD operating profit amounted to kPLN 11,170 and was higher by 67.0% than in the corresponding period of 2014.

EBITDA of the third quarter of 2015 amounted to kPLN 6,269 and was higher by 145.2% than in the corresponding period of the previous year. After three quarters of 2015, the YTD EBITDA amounted to kPLN 14,127 and was higher by 76% than in the corresponding period of 2014.

The net profit of the third quarter of 2015 due to the parent company's shareholders was kPLN 2.902 and was higher than in the previous year by 102.3%. After three quarters of 2015, the YTD net profit due to the parent company's shareholders amounted to kPLN 6,516 and increased by 43.8% when compared to the three quarters of 2014.

The achieved levels of the above-presented data contain values resulting from the consolidation of Cursor S.A. and Divante Sp. z o.o., i.e. the values achieved by them in the period from March to September 2015. The highest share in the Group's total operating result after the third quarter 2015 was held by the Retail Sale Network Management Segment – 52% (kPLN 5,818). At the same time, this result is lower by 13% than in the corresponding period of 2014. The remaining 48% of the operating profit was generated by the new segments created after the take-over of Cursor S.A. and Divante Sp. z o.o., whereby the share of the Sale Support Segment amounted to 27% (kPLN 2,985), and the E-Business Segment 21% (kPLN 2,367).

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

- the Retail Sale Network Management Segment – 51% (kPLN 7,207). At the same time, this result is lower by 10% than in the corresponding period of 2014;
- the Sale Support Segment – 29% (kPLN 4,034);
- the E-Business Segment – 20% (kPLN 2,886).

In accordance with the assumptions made by the Issuer's Management Board, the share of the new segments in the next quarter should gradually increase. This concerns in particular the E-Business Segment.

The take-over of Cursor S.A. and Divante Sp. z o.o. also resulted in the considerable growth in total assets and total equity & liabilities in the consolidated balance sheet of the Group – by over 57% y/y. At the same time, the balance sheet structure changed, mainly due to the specific character of the business of the companies taken over ((B2B segment services). Current assets constitute 49% of total assets (vs 42% in 2014) and rose by over 83% when compared to the state as at 30.09.2014. This rise mainly results from the short-term receivables, the share of which in the structure of assets went up from 30% to 37%. Similarly, the highest share in equity & liabilities constitute liabilities, in particular short-term

liabilities, which went up by over 71%, reaching the level of 44% of the structure of equity and liabilities (vs 40% as at 30.09.2014).

The specific character of service activities of the new segments consists in, among other things, the fact that the operating expenses result - to considerable extent - from various forms of personnel costs, in case of which it is difficult to talk about extended payment terms, while the revenue is obtained from corporate clients with considerable bargaining power, which, in turn, translates into relatively long payment terms. This situation results in a considerable share of interest liabilities (revolving loans, factoring) in the working capital factoring structure when compared to the previous model of the Group's business. The total interest liabilities of the Group as at the end of 30/09/2015 amounted to kPLN 24,748, which constitutes 14% of the total of equity & liabilities, vs kPLN 645 (1% of the total equity and liabilities) in the corresponding period of the previous year. The short-term interest debt of the Group as at 30/09/2015 amounted to kPLN 21,880, which constitutes 28% of total short-term liabilities, vs kPLN 645 (1% of total short-term liabilities) in the corresponding period of the previous year.

#### 4.2 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 30/09/2015	as at 30/09/2014	change y/y in pcs.	change y/y in %
Orange network stores	148	159	-11	93%
T-Mobile network stores	82	84	-2	98%
Plus network stores	71	81	-10	88%
<b>Total stores</b>	<b>301</b>	<b>324</b>	<b>-23</b>	<b>93%</b>

Average number of stores in the reporting quarter

	average in the period from 01/07 to 30/09/2015	average in the period from 01/07 to 30/09/2014	change y/y in pcs.	change y/y in %
Orange network stores	148	160	-12	93%
T-Mobile network stores	85	85	0	100%
Plus network stores	71	82	-11	87%
<b>Total stores</b>	<b>304</b>	<b>327</b>	<b>-23</b>	<b>93%</b>

**4.3 Revenue volumes and breakdown - the retail sale network management segment**

	2015 Q3	2014 Q3	Change Q3 2015 / Q3 2014	2015 Q1-3	2014 Q1-3	Change Q1-Q3 2015 / Q1-Q3 2014
Revenue from the sale of telecommunications services	22,991	23,677	97.1%	69,429	71,290	97.4%
Sets and pre-paid refillments	3,910	3,960	98.7%	11,287	12,201	92.5%
Postpaid contract phones	24,758	35,971	68.8%	72,559	96,290	75.4%
Other revenue	1,082	2,263	47.8%	6,820	7,151	95.4%
total	52,741	65,872	80.1%	160,096	186,931	85.6%

	2015 Q3	2014 Q3	Change Q3 2015 / Q3 2014	2015 Q1-3	2014 Q1-3	Change Q1-Q3 2015 / Q1-Q3 2014
Postpaid activations	129,692	139,617	92.9%	380,095	416,575	91.2%
Prepaid activations	27,692	34,378	80.6%	78,565	89,748	87.5%
total	157,384	173,995	90.5%	458,660	506,323	90.6%

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

There were no extraordinary factors or events.

**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:

- 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.

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

### 6.2 Sale Support Segment

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

- outsourcing of sales representatives,
- merchandising,
- examination of goods exposure and availability and communication standards,
- product promotion services,
- services related to marketing materials and packaging purchase processing.

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

The **merchandising** activity consists in servicing the goods exposition in commercial networks by stationary teams and mobile servicing of retail outlets. It is carried out using advanced IT tools and in accordance with the ISO 9001:2008 standards.

**The examination of goods exposure and availability and consumer communication standards** supplements the merchandising offer and is performed on the basis of audits made in retail chains and outlets. Their purpose is to obtain information from the market, verify the arrangements made between the retail outlet and the producer, control the effectiveness of sales structures of the client as well as the database construction and updates. The data acquisition process takes place using advanced IT tools, which guarantee the quality and reliability of materials collected. The offer also comprises the analysis and advanced presentation of data.

**Product promotion services** comprise activities related to a direct contact with the consumer. They comprise projects related to offering specialised personnel teams - described as 'client advisers' to producers. These advisers stimulate the sale in modern or traditional trade outlets as well as in specialised commercial networks by giving additional information about the product, providing the possibilities of a test use or execute the consumer's individual orders. Such activities are reinforced by organisation of consumer programmes such as lotteries or contests.

**Services related to marketing materials and packaging purchase processing.** The services consist in the market analysis with regard the area ordered by the client, provision of recommendations concerning the determination of selection criteria to be followed when purchasing products, purchase

cost optimization and administrative support of the process. In case marketing materials or sale support materials are ordered on foreign markets, 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 performance of prototypes and ensuring the consistency of product batches.

### 6.3 E-business Segment

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

The e-commerce services are comprehensive solutions ensuring the pursuit and growth of the Internet sale, both as regards the retail market and business customers. The provision of such services may follow the end to end model and may comprise strategic consulting on the Internet commerce, creation of business plans, e-shop platform designing and creation on the basis of various technologies, e-marketing and traffic generation, platform usability optimisation (UX – user experience) as well as the logistic support for the e-sales, including warehousing, packaging, deliveries and sale registration for tax purposes as well as handling of returns and the help line.

Logistic of the sales support products comprises solutions related to the management and distribution of marketing materials as well as the support of loyalty programmes and consumer promotions. 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. Also the warehousing and order completion services are provided for the client's sale structures and sale outlets as well as the distribution of orders. 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 S.A. manages an extended warehouse infrastructure with an area of over 30,000 sq.m. and capacity of 45,000 pallet places - based on WMS (warehouse management system). The operation quality consistency is ensured by ISO 9001:2008.

#### Revenues and results of operating segments:

	Sale network management	Sale Support	E-business	Not allocated	Total
<b>for the period from 01/01 to 30/09/2015</b>					
Revenue from external customers	160,096	45,389	41,520		247,004
Revenue from the sales between segments	434	51	215	1,291	1,991
Total revenue	160,530	45,440	41,734	1,291	248,994
Segment's operating result	5,818	2,985	2,367		11,170
Financial income					211
Financial costs (-)					-1,722

Gross profit before tax					9,659
Income tax					2,153
Net profit					7,506
EBIDTA	7,207	4,034	2,886		14,127
Depreciation and amortisation	1,390	1,049	518		2,957
<b>for the period from 01/01 to 30/09/2014</b>					
Revenue from external customers	186,931				186,931
Revenue from the sales between segments	374				374
Total revenue	187,305				187,305
Segment's operating result	6,688				6,688
Financial income					62
Financial costs (-)					-1,123
Gross profit before tax					5,628
Income tax					1,096
Net profit					5,628
EBIDTA	8,026				8,026
Depreciation and amortisation	1,339				1,339

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

#### Geographical areas - revenues:

	01/01 to 30/09/2015	01/01 to 30/09/2014
Poland	245,331	186,931
Czech Republic	22	
Germany	903	
France	57	
Lithuania	16	
the Netherlands	486	
UK	14	
Italy	91	
Denmark	11	
Switzerland	59	
Sweden	1	
United States	8	
Hong-Kong	3	
China	4	
Total	247,004	186,931

## 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., Euro Phone 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 30/09/2015	from 01/01 to 30/09/2014	from 01/01 to 31/12/2014
As at period beginning	423	901	901
Loss expensed as cost in the period	63	19	13
Reversal of impairments in the period (-)	-19	-100	-494
Other changes (net exchange differences on conversion)			
<b>At period end</b>	<b>468</b>	<b>820</b>	<b>423</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 30/09/2015	from 01/01 to 30/09/2014	from 01/01 to 31/12/2014
As at period beginning	5,619	5,444	5,444
Loss expensed as cost in the period	162	301	314
Reversal of impairments carried as revenue in the period	-84	-20	-98
Provisions used	-165	-20	-40
Increase by business	622		
At period end	6,153	5,706	5,619

## 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 30/09/2015</b>						
As at period beginning	72	1,021				1,021
Provision increase carried as expense in the period		62	31			93
Provision increase carried as income in the period (-)	-8	-10	-1			-11
Utilisation of provisions (-)			-30			-30
Increase in result of business combination		372				372
Other changes (net exchange differences on conversion)						
Provisions as at 30/09/2015	64	1,445	0			1,445
<b>for the period from 01/01 to 30/09/2014</b>						
As at period beginning	68	1,106	680			1,786
Provision increase carried as expense in the period		63				63
Provision increase carried as income in the period (-)						
Utilisation of provisions (-)			-680			-680
Increase in result of business combination						
Other changes (net exchange differences on conversion)						
Provisions as at 30/09/2014	68	1,168	0			1,168
<b>for the period from 01/01 to 31/12/2014</b>						
As at period beginning	68	1,106	680			1,786

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

	30/09/2014	30/09/2014	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 (+/-)	-393	-352	-589
Other comprehensive income (+/-)			
<b>Deferred tax at period end</b>	<b>6,867</b>	<b>6,236</b>	<b>6,474</b>
Deferred income tax assets	2,571	998	836
Net deferred income tax assets from business combination	-1,191		
Deferred income tax liabilities	8,527	7,235	7,309
Net deferred income tax liabilities from business combination	-281		

## 12. Business combinations

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

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

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

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

The costs related to the acquisition of control over Cursor Sp. z o.o. and Divante Sp. z o.o. in the amount of kPLN 233 were settled as costs of 2014 and 2015.

The arrangements concerning the conditional remuneration were determined in the Investment Agreement made on 21 November 2014 by and between Tell Spółka Akcyjna (Issuer) and OEX Spółka Akcyjna (Investor). The Agreement stipulates that the Investor (assuming the risk entailed) guarantees that the results of Companies expressed as the total of EBITDA values for Cursor S.A. and Divante sp. z o.o. for 2015 will not be lower than PLN 6,300,000.00 (say: six million three hundred thousand Polish zlotys),

In case the total of EBITDA values for both companies in the financial year 2015 will be lower than PLN 6,300,000.00, then there will be an adjustment of mutual settlements of the transaction parties such that the issue price for the Investor's shares will be adjusted pro rata to the relation between the total of EBITDA values for 2015 and the amount of PLN 6,300,000.00.

In accordance with IFRS 3R, the contingent fee is recognised as at the take-over date (as part of the payment transferred in exchange for the economic unit subject to the take-over) at fair value.

The Issuer estimated the fair value of the contingent fee as at the date the control over the subsidiaries was taken over and decided to refrain from the adjustment of remuneration paid in exchange of the acquired companies by the amount of the contingent fee.

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

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

	Provisional fair value at the takeover date	
	Cursor S.A.	Divante Sp. z o.o.
<b>Assets</b>		
Intangible fixed assets	2,610	568
Tangible fixed assets	7,106	625
Deferred tax assets	1,121	70
Inventories	2,153	10
Receivables and loans	25,818	2,617
Accruals and prepayments	4,375	31
Assets held for sale		160
Cash	1,031	629
Total assets	44,215	4,709
<b>Payables</b>		
Deferred tax liabilities	194	87
Loans, credits, leases	18,905	579
Trade liabilities	9,834	693
Other liabilities	6,817	700
Total provisions	35,750	2,059
Net asset fair value	8,465	2,650
Payment for the entity taken over	17,405	3,216
Net assets attributable to the non-controlling interests	0	1,298
Goodwill (+) / Profit (-)	8,941	1,864

### 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 30/09/2015</b>					
Net carrying amount as at 01/01/2015	1,050	1,173	2,662	32	4,917
Acquisition by a business combination	1,157	3,929	1,827	814	7,730
Increase (acquisition, production, lease)	1,027	412	1,739	1,709	4,887
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-11	-55	-76	-1,579	-1,721
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-578	-1,273	-590		-2,441
Impairment losses					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/09/2015	2,645	4,186	5,562	980	13,372
<b>for the period from 01/01 to 30/09/2014</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)	442	545	420	419	1,826
Sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-18	-87	-28	-159	-292
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-318	-300	-505		-1,123
Impairment losses					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 30/09/2014	1,139	1,217	2,163	292	4,811
<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 losses					
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**

The quarter this report refers to did not see any issue, redemption or repayment of non-share and equity securities.

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

No dividend was paid by the date of this report. The Extraordinary General Meeting of Shareholders dealing with the distribution of profit for 2014 will take place on 17 November 2015 (ongoing report No. 43/2015). The text of the resolutions was published in ongoing report No. 44/2015.

In ongoing report No. 45/2015 dated 22 October 2015, the Management Board of Tell S.A. informed about the adoption of a resolution on proposed distribution of profit for 2014. The Management Board recommended that a dividend was paid in the amount of PLN 0.60 per share, i.e. PLN 4,133,123.40 and that the amount remaining after the dividend payment, i.e. PLN 1,400,215.04 be allocated to the supplementary capital. The Management Board proposes that the dividend day be 11 December 2015 and the dividend payment day - 29 December 2015.

In ongoing report No. 46/2015 dated 30 November 2015, the Management Board of Tell S.A. informed about the acceptance by the Supervisory Board of Tell S.A. of the resolution concerning the distribution of profit for 2014 in the wording as proposed by the Management Board.

#### **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:

	30/09/2015	30/09/2014	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	32,510	30,885	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	32,510	30,885	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)

On 10/06/2015, the Management Board published the forecast of the 2015 results, containing the following forecast values (ongoing report No. 21/2015):

1. Consolidated revenue of the Group – in the amount of PLN 315.04 million,
2. Consolidated operating profit of the Group – in the amount of PLN 15.83 million,



3. Consolidated EBTIDA profit of the Group – in the amount of PLN 19.66 million,
4. Consolidated net profit of the Group – in the amount of PLN 10.50 million.

The issuer monitors the possibilities ensuring the forecast performance as planned on an ongoing basis, analysing the activation volumes, the sale network size and the commission systems (in the Retail Sale Network Management segment) as well as the contracts executed and the extent of performance of infrastructure extension plans, the service provision possibilities and the cost optimisation (in the Sale Support and E-business segments). In the light of results presented in this quarterly report and the data available as at the report publication date, the Management Board of the Issuer fully confirms the forecast published.

**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**

As at the date of presentation of the report for the third 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.

<b>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 2015.</b>				
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%
Grupa Archidoc (formerly OEX S.A.)	1,777,692	1,777,692	25.81%	21.50%
Quercus Parasolowy SFIO and Quercus Absolute Return FIZ	811,013	811,013	11.77%	9.81%
AVIVA Investors FIO, AVIVA Investors SFIO*	458,549	458,549	6.66%	5.54%
Waldemar Ziomek	453,648	613,256	6.59%	7.42%
<b>Total</b>	<b>5,125,486</b>	<b>6,506,795</b>	<b>74.41%</b>	<b>78.69%</b>

\* number of shares which authorised AVIVA Funds to take part at the General Meeting of Shareholders on 23/06/2015

<b>Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at the date of the publication of the statements for the first half of 2015.</b>				
Shareholder	Total shares	Total votes	Share capital held	% of votes
Neo Investment S.A. - indirectly, including by:	1,624,584	2,846,288	23.58%	34.42%
- Neo Fund 1 Sp. z o.o.	1,418,840	2,640,544	20.60%	31.93%
OEX Spółka akcyjna	1,777,692	1,777,692	25.81%	21.50%
Quercus Parasolowy SFIO and Quercus Absolute Return FIZ	811,013	811,013	11.77%	9.81%
AVIVA Investors FIO, AVIVA Investors SFIO*	458,549	458,549	6.66%	5.54%
Waldemar Ziomek	453,648	613,256	6.59%	7.42%
<b>Total</b>	<b>5,125,486</b>	<b>6,506,795</b>	<b>74.41%</b>	<b>78.69%</b>

\* number of shares which authorised AVIVA Funds to take part at the General Meeting of Shareholders on 23/06/2015

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.

**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 third 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%
Robert Krasowski	4,924	4,924	0.07%	0.06%
Artur Wojtaszek	17,000	17,000	0.25%	0.21%

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

	Total shares	Total votes	Share capital held	% of votes
<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%
Artur Wojtaszek	13,000	13,000	0.19%	0.16%

**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., Euro Phone Sp. z o.o. and PTI Sp. z o.o. it is necessary to explain different ways of recognition in the books of the companies of subsidies for the sale of mobile phones by particular operators and the impact of such operations on revenue and costs items. Irrespective of a different way of mobile phone sale settlement by particular operators, the result on such operations is neutral.

**ORANGE network operator – Orange Polska S.A.**

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

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

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

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

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

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

Until the end of June 2011, the revenue and costs related to the sale of mobile phones were registered in promotional prices. Between 1 July 2011 and March 2013, the Company had in place a system identical to the system of settlements between Tell S.A. and the Orange network operator. This system was changed in March 2013. Currently, Euro Phone Sp. z o.o. receives phones from the Operator as held in trust and has 45 days to sell them.. If not sold within such period of 45 days, the phones are automatically bought and an invoice is made to the name of Euro-Phone Sp. z o.o. If, consequently, the phone (purchased by the Company after the expiry of the 45 day period) is sold to the client in a selling outlet, the difference between the purchase price and the promotional price is reimbursed on the basis

of a correction invoice, i.e. in accordance with the same procedure as before the system change. Transactions with sub-agents are a replication of the operations between the Company and the operator, with a difference that the Company is a party to them and not the Operator.

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

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

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

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

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

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

In consequence of such recognition, the phone sale results in relatively high revenues from the sale and high costs of sale when compared to other Group companies cooperating with mobile phone operators).

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

### **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 the next quarter of 2015 are as follows:

#### **33.1 Demand for mobile telephone services, taking into account in particular:**

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

#### **33.2 Uninterrupted performance of existing contracts in the Sale Support and E-Business segments and acquisition of new contracts as per the internal plans;**

**33.3 Consolidation of Cursor S.A. and Divante Sp. z o.o.**

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

**33.4 The sale network downsizing plan announced by T-Mobile Polska**

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

**33.5 Performance of the agreement dated 24 April 2015 by Euro-Phone Sp. z o.o. - issuer's subsidiary (ongoing report No. 13/2015)**

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

## 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 30/09/2015	from 01/01 to 30/09/2014	from 01/01 to 30/09/2015	from 01/01 to 30/09/2014
	k PLN		k EUR	
<b>Income statement</b>				
Revenue from sales	70,896	70,149	17,048	16,781
Operating profit (loss)	3,395	3,778	816	904
Profit (loss) before tax	4,669	4,709	1,123	1,127
Net profit (loss)	4,097	4,084	985	977
Net profit (loss) - share of the shareholders of the Parent Company	4,097	4,084	985	977
Earnings per share (PLN; EUR)	0.67	0.80	0.16	0.19
Diluted earnings per share (PLN; EUR)	0.67	0.80	0.16	0.19
Average exchange rate PLN / EUR in the period	X	X	4.1585	4.1803
<b>Cash flow statement</b>				
Net cash flow from operating activity	3,955	5,046	951	1,207
Net cash flow from investing activity	-1,543	-2,832	-371	-677
Net cash flow from financial activity	-2,382	-1,752	-573	-419
Net change in cash and cash equivalents	29	463	7	111
Average exchange rate PLN / EUR in the period	X	X	4.1585	4.1803
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	k PLN		k EUR	
<b>Balance sheet</b>				
Assets	108,016	88,317	25,484	21,151
Long-term liabilities	4,097	4,087	967	979
Short-term liabilities	23,577	24,777	5,563	5,934
Equity	80,342	59,453	18,955	14,239
Equity - share of the parent company shareholders	80,342	59,453	18,955	14,239
PLN / EUR exchange rate at period end	X	X	4.2386	4.1755

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: 30/09/2015 4.2386 PLN/EUR, 30/09/2014 4.1755 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 - 30/09/2015 4.1585 PLN/EUR, 01/01 - 30/09/2014 4.1803 PLN/EUR.

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

ASSETS	30/09/2015	30/09/2014	31/12/2014
<i>Non-current assets</i>			
Goodwill	21,298	21,298	21,298
Intangible fixed assets	659	306	343
Tangible fixed assets	4,521	3,437	3,672
Investment properties			
Interests in subsidiaries	44,975	25,636	24,349
Investments in associates			
Receivables	243	352	348
Financial derivatives			
Other long-term financial assets			
Long-term prepayments			
Deferred income tax assets	313	466	314
Non-current assets	72,010	51,496	50,325
<b>Current assets</b>			
Inventories	7,279	7,221	10,087
Receivables from building services contracts			
Trade Receivables and Other Receivables	21,949	18,764	25,281
Current tax assets			
Loans	6,282	9,782	6,282
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	263	365	248
Cash and cash equivalents	232	689	203
Fixed assets classified as held for sale			
<b>Current assets</b>	<b>36,006</b>	<b>36,821</b>	<b>42,101</b>
<b>Total assets</b>	<b>108,016</b>	<b>88,317</b>	<b>92,426</b>



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

<b>EQUITY AND LIABILITIES</b>	<b>30/09/2015</b>	<b>30/09/2014</b>	<b>31/12/2014</b>
<i>Equity</i>			
<i>Equity - share of the parent company shareholders:</i>			
Share capital	1,378	1,022	1,022
Treasury shares (-)			
Share premium	44,960	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	4,097	4,084	5,533
Equity - share of the parent company shareholders	80,342	59,453	55,792
Non-controlling shares			
<b>Equity</b>	<b>80,342</b>	<b>59,453</b>	<b>55,792</b>
<i>Payables</i>			
<i>Long-term liabilities</i>			
Loans, credits, other debt instruments			
Finance leases			
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	19,132	22,344	25,659
Current tax liabilities	161	25	578
Loans, credits, other debt instruments	1,933	13	4,036
Finance leases			
Financial derivatives			
Employee benefit liabilities	2,351	2,394	2,264
Other short-term provisions			
Short-term prepayments			
Liabilities related to fixed assets held for sale			
<b>Short-term liabilities</b>	<b>23,577</b>	<b>24,777</b>	<b>32,537</b>
<b>Total provisions</b>	<b>27,674</b>	<b>28,863</b>	<b>36,634</b>
<b>Total equity and liabilities</b>	<b>108,016</b>	<b>88,317</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 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<b>Continued activities</b>				
<b>Revenue from sales</b>	<b>24,425</b>	<b>70,896</b>	<b>24,724</b>	<b>70,149</b>
Revenue from the sale of services	14,173	43,298	13,763	43,542
Revenue from the sale of goods and materials	10,252	27,598	10,961	26,607
Cost of sales	21,265	60,548	<b>21,659</b>	<b>59,202</b>
Costs of services sold	11,097	33,156	10,921	33,092
Cost of goods and materials sold	10,168	27,392	10,738	26,110
<b>Gross profit (loss) on sales</b>	<b>3,160</b>	<b>10,349</b>	<b>3,065</b>	<b>10,947</b>
Selling costs	726	2,543	929	2,898
Administration costs	1,375	4,363	1,246	4,041
Other operating revenues	82	292	207	231
Other operational expenses	142	341	95	462
Profit (loss) on the sale of subsidiaries (+/-)				
<b>Operating profit (loss)</b>	<b>999</b>	<b>3,395</b>	<b>1,001</b>	<b>3,778</b>
Financial income	128	2,389	165	1,749
Financial costs	440	1,115	413	817
Share in the profit (loss) of entities measured using the equity method (+/-)				
<b>Profit (loss) before tax</b>	<b>687</b>	<b>4,669</b>	<b>753</b>	<b>4,709</b>
Income tax	159	572	24	626
<b>Net profit (loss) on continued activities</b>	<b>528</b>	<b>4,097</b>	<b>728</b>	<b>4,084</b>
<b>Discontinued operations</b>				
Net profit (loss) on discontinued operations				
<b>Net profit (loss) - share of:</b>				
- shareholders of the Parent Company	528	4,097	728	4,084
- non-controlling parties				

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

	from 01/01 to 30/09/2015	from 01/01 to 30/09/2014
<i>on continued operations</i>		
- basic	0.67	0.80
- diluted	0.67	0.80
<i>on continued and discontinued operations</i>		
- basic	0.67	0.80
- diluted	0.67	0.80

## 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

Financial statements for the period from 01/07 to 30/09/2014 before and after adjustment.

	from 01/07 to 30/09/2014 before adjustment	Adjustment	from 01/07 to 30/09/2014 after adjustment
<b>Revenue from sales</b>	<b>24,724</b>		<b>24,724</b>
Revenue from the sale of services	13,763		13,763
Revenue from the sale of goods and materials	10,961		10,961
<b>Cost of sales</b>	<b>15,518</b>	<b>6,141</b>	<b>21,659</b>
Costs of services sold	4,780	6,141	10,921
Cost of goods and materials sold	10,738		10,738
<b>Gross profit (loss) on sales</b>	<b>9,206</b>	<b>- 6,141</b>	<b>3,065</b>
Selling costs	7,070	-6,141	929
Administration costs	1,246		1,246
Other operating revenues	207		207
Other operational expenses	95		95
<b>Operating profit (loss)</b>	<b>1,001</b>	<b>0</b>	<b>1,001</b>

Financial statements for the period from 01/01 to 30/09/2014 before and after adjustment.

	from 01/01 to 30/09/2014 before adjustment	Adjustment	from 01/01 to 30/09/2014 after adjustment
<b>Revenue from sales</b>	<b>70,149</b>		<b>70,149</b>
Revenue from the sale of services	43,542		43,542
Revenue from the sale of goods and materials	26,607		26,607
<b>Cost of sales</b>	<b>40,952</b>	<b>18,250</b>	<b>59,202</b>
Costs of services sold	14,843	18,250	33,092
Cost of goods and materials sold	26,110		26,110
<b>Gross profit (loss) on sales</b>	<b>29,197</b>	<b>-18,250</b>	<b>10,947</b>
Selling costs	21,147	-18,250	2,898
Administration costs	4,041		4,041
Other operating revenues	231		231
Other operational expenses	462		462
<b>Operating profit (loss)</b>	<b>3,778</b>	<b>0</b>	<b>3,778</b>

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

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

	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
Net profit (loss)	528	4,097	728	4,084
<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	528	4,097	728	4,084
Comprehensive income - share of:				
- shareholders of the Parent Company	528	4,097	728	4,084
- non-controlling parties				

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

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Share capital	Treasury shares	Share premium	Other capitals	Retained profits	Total		
<b>As at 01/01/2015</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 30/09/2015</b>								
Issue of shares	356		20,097			20,452		20,452
Merger								
Option measurement (share-based payment programme)								
Changes in the group structure (transactions with non-controlling parties)								
Dividends via subsidiaries								
Financial result recognised as equity								
Total transactions with shareholders	356		20,097			20,452		20,452
Net profit for the period from 01/01 to 30/09/2015					4,097	4,097		4,097
Other comprehensive income after taxation in the period from 01/01 to 30/09/2015								
Total comprehensive income					4,097	4,097		4,097
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 30/09/2015</b>	<b>1,378</b>		<b>44,960</b>	<b>1,459</b>	<b>32,545</b>	<b>80,342</b>		<b>80,342</b>

	Equity - share of the parent company shareholders						Non-controlling shares	TOTAL EQUITY
	Share capital	Treasury shares	Share premium	Other capitals	Retained profits	Total		
<b>As at 01/01/2014</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 30/09/2014</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 30/09/2014					4,084	4,084		4,084
Other comprehensive income after taxation in the period from 01/01 to 30/09/2014								
Total comprehensive income					4,084	4,084		4,084
Transfer to retained profits (sale of revalued fixed assets)								
<b>As at 30/09/2014</b>	<b>1,022</b>		<b>24,863</b>	<b>1,459</b>	<b>32,109</b>	<b>59,453</b>		<b>59,453</b>

	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.

	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<i>Cash flow from operating activity</i>				
<b>Profit (loss) before tax</b>	<b>687</b>	<b>4,669</b>	<b>753</b>	<b>4,709</b>
<i>Adjustments:</i>				
Depreciation of tangible fixed assets	333	956	281	858
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	-7	30	-1	-2
Profit (loss) on the sale of financial assets (other than derivatives)				
Exchange difference gains/losses				
Interest expense	20	111	16	112
Interest and dividend income	-128	-2,389	-165	-1,749
Cost of share-based payment				
Share in the profit (loss) of associate companies				
Other adjustments				
<b>Total adjustments</b>	<b>218</b>	<b>-1,292</b>	<b>132</b>	<b>-781</b>
Change in inventories	1,605	2,808	-904	341
Change in receivables	-722	5,212	4,317	6,887
Change in liabilities	-1,010	-6,440	-1,503	-3,338
Change in provisions and prepayments	125	-16	-53	-674
Change in building contracts				
<b>Changes in working capital</b>	<b>-2</b>	<b>1,565</b>	<b>1,857</b>	<b>3,217</b>
Inflows (outflows) from the settlement of derivatives				
Interest paid on operating activities				
Taxes paid	-363	-987	-299	-2,099
<b>Net cash flow from operating activity</b>	<b>540</b>	<b>3,955</b>	<b>2,442</b>	<b>5,046</b>



	from 01/07 to 30/09/2015	from 01/01 to 30/09/2015	from 01/07 to 30/09/2014	from 01/01 to 30/09/2014
<b><i>Cash flow from investing activity</i></b>				
Expenses to purchase fixed assets	-666	-2,199	-589	-1,459
Inflows from the sale of fixed assets		47	57	78
Expenses to purchase investment properties				
Inflows from the sale of investment properties				
Net expenses to purchase subsidiaries	-5	-5		
Net inflows from the sale of subsidiaries				
Received repayments of loans granted	460	460	700	4,850
Loans granted		-460	-3,500	-8,050
Expenses to purchase other financial assets				
Inflows from the sale of other financial assets				
Inflows from government subsidies received				
Interest income	128	357	165	471
Dividend income	104	258		1,278
<b>Net cash flow from investing activity</b>	<b>22</b>	<b>-1,543</b>	<b>-3,167</b>	<b>-2,832</b>
<b><i>Cash flow from financial activity</i></b>				
Cost of share issue	-169	-169		
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			13	
Repayment of loans and advances	-301	-2,103		-1,640
Repayment of financial lease liabilities				
Interest paid	-20	-111	-16	-112
Dividends paid				
<b>Net cash flow from financial activity</b>	<b>-490</b>	<b>-2,382</b>	<b>-3</b>	<b>-1,752</b>
<b>Net change in cash and cash equivalents</b>	<b>72</b>	<b>29</b>	<b>-728</b>	<b>463</b>
<b>Cash and cash equivalents at period beginning</b>	<b>160</b>	<b>203</b>	<b>1,417</b>	<b>226</b>
Exchange differences				
<b>Cash and cash equivalents at period end</b>	<b>232</b>	<b>232</b>	<b>689</b>	<b>689</b>

## APPROVAL FOR PUBLICATION

The consolidated quarterly financial statements made for the period of 9 months ended on 30/09/2015 (including comparable data) have been approved for publication by the Parent Company's Management Board on 05 November 2015.

Signatures of all Management Board Members

Date	Name and surname	Position	Signature
05 November 2015	Rafał Stempniewicz	President of the Management Board	
05 November 2015	Robert Krasowski	Member of the Management Board	
05 November 2015	Artur Wojtaszek	Member of the Management Board	