

Frąckowiak

GrantThornton

Report supplementing
the opinion on the audit
of the consolidated
financial statements for
2011

Tell Spółka Akcyjna

1 Information about the Company

Tell Spółka Akcyjna (the Company) was established on 15 November 2004. The duration of the Company is unlimited. The registered office of the Company is in Poznań, ul. Forteczna 19a.

The basic objects of the business of the Company are as follows:

- retail sale of telecommunications equipment,
- wholesale of electronic and telecommunications equipment and parts.

On 30 November 2004, the Company was entered into the register of companies of the National Court Register maintained by the District Court for Poznań — Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register under number KRS 0000222514.

The Company was assigned the following VAT No. (NIP): 7791580574 and statistical No. (REGON): 630822208.

The share capital of the Company as at the financial year end, i.e. 31 December 2011, amounted to kPLN 1,262. The equity of the Company as at the same date amounted to kPLN 57,498.

In accordance with Note 13 of the Supplementary Notes to the financial statements made as at 31 December 2011, the ownership structure of the Company's share capital was as follows:

Shareholder	Number of shares	Number of votes	Par Value of shares	Share capital held
BBI Capital NFI S.A.	1,429,750	2,859,500	285,950	22.66%
Havo Sp. z o.o.	675,000	675,000	135,000	10.70%
Rafał Stempniewicz	287,280	462,280	57,456	4.55%
AVIVA Investors FIO, SFIO	657,672	657,672	131,534	10.42%
Quercus Parasolowy SFIO, Quercus Absolute Return FIZ	888,235	888,235	177,647	14.08%
Other	2,371,686	2,522,311	474,337	37.59%
Total	6,309,623	8,064,998	1,261,924	100.00%

As at the balance sheet, the share capital was composed of 1,755,375 registered shares with voting preferences (two votes from one share) and 4,554,248 ordinary shares.

The Company is a parent company of the Tell Spółka Akcyjna Group. Parties related to the Company are:

- PTI Sp. z o.o. with registered office in Poznań (subsidiary),
- Euro-Phone Sp. z o.o. with registered office in Piaseczno (subsidiary),
- Toys4Boys.pl Sp. z o.o. with registered office in Gdańsk (subsidiary),
- Connex Sp. z o.o. with registered office in Poznań (subsidiary) and
- BBI Capital NFI S.A. with registered office in Warsaw (significant investor).

The Management Board of the Company as at 12 March 2012 was as follows:

- Rafał Stempniewicz – President of the Management Board,
- Stanisław Górski - Member of the Management Board,
- Robert Krasowski - Member of the Management Board.

In the period from 1 January 2011 to 12 March 2012, the Management Board of the Company did not change.

2 Financial statements for the previous year

The financial statements of the Company for the financial year ended on 31 December 2010 (previous financial year) were audited by PKF Audyt Sp. z o.o., on behalf of which acted Marek Wojciechowski, chartered auditor No. 10984. The auditor made an unqualified opinion on the audited financial statements.

The financial statements of the Company for the financial year ended on 31 December 2010 was approved by the General Meeting of Shareholders of the Company on 28 April 2011. The shareholders resolved to distribute the 2010 net profit of kPLN 5,651 as follows:

- dividends for shareholders kPLN 5,048,
- supplementary capital kPLN 603.

The financial statements of the Company for the financial year ended on 31 December 2010 (previous financial year) along with the opinion of a chartered auditor, resolutions of the General Meeting of Shareholders on the approval of the financial statements, distribution of profits and a report on the activities of the Company were filed with the National Court Register on 10 May 2011.

The required elements of the financial statements for the financial year ended on 31 December 2010 (previous financial year) along with the opinion of the chartered auditor and resolutions of the General Meeting of Shareholders on the approval of the financial statements and the distribution of profits were published in *Monitor Polski B* number 1383 of 2011.

3 Information on the entity authorised to audit and the chartered auditor

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k. with registered office in Poznań, ul. Abpa Antoniego Baraniaka 88 E, is an entity authorised to audit financial statements entered into the list of the Polish Board of Chartered Auditors under number 3654.

On behalf of Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k. the audit of the financial statements of the Company was managed by Elżbieta Grześkowiak, chartered auditor No. 5014.

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k. was appointed on 23 May 2011 to audit the financial statements of the Company for the financial year ended on 31 December 2011 by the Supervisory Board. The audit of these financial statements was conducted on the basis of a contract made on 28 June 2011 with the Company's Management Board.

4 Audit scope and date

The purpose of our audit was to express a written opinion and draw up a report on whether the financial statements for the financial year ended on 31 December 2011 presents fairly and reliably in all material aspects the assets and financial situation as well as the financial result of the Company in accordance with the accounting policies resulting from the International Accounting Standards, International Financial Reporting Standards and related interpretations as published in the form of regulations by the European Commission, and in the scope not regulated therein - in accordance with the requirements of the Accounting Act and executive regulations thereto.

During the audit of particular items of the financial statements and the books of account, we used tests and samples as appropriate for a financial audit. On the basis of the results of such tests and samples, we drew conclusions as to the correctness of the audited items. The audit restricted to random tests was also carried out with regard to the tax settlements and charges, therefore, there may be differences between our findings and the results of controls made by tax authorities.

It was not the subject matter of our audit to determine and explain any events which might - if occurring - be a basis for the instigation of penal proceedings by competent authorities. This audit was also not carried out with a view to investigate any other issues that might occur outside the Company's accounting system and not influencing the audited financial statements.

The audit of the Company's financial statements for the financial year ended on 31 December 2011 was conducted by us in the period from 25 November 2011 to 12 March 2012, including audits on site at the registered office of the Company from 21 to 23 December 2011 and from 31 January to 10 February 2012.

5 Declaration of independence

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k., members of the Management Board of the General Partner, the network of which the entity authorised to audit is a member, the chartered auditor in charge of the audit and all other persons participating in the audit meet the conditions to express an impartial and independent opinion on the audited financial statements of the Company as defined in art. 56 of the Chartered Auditors and Their Self-Government Bodies, Entities Authorised to Audit Financial Statements and Public Supervision Act of 7 May 2009 (*Journal of Laws* No. 77, item 649, as amended).

6 Availability of data and statements received

The Management Board of the Company provided us with a written statement dated 12 March 2012 on the completeness, reliability and fairness of the audited financial statements and on the fact that between the balance sheet date and the date of completion of the audit there were no events that could have a material influence on the assets and financial position of the Company and would required the disclosure in the financial statements. The Management Board of the Company confirmed its responsibility for the approved financial statements and

stated that it provided us, during the audit, with all books of account, the financial data, information and other required documents as well as gave us explanations necessary for us to express our opinion on the audited financial statements.

We believe that the evidence we received provided us with a sufficient base to express our opinion on the financial statements.

7 Accounting system

The Company's books of account are maintained using a computer system MaxEbiznes at the registered office of the Company. The Company has updated documentation mentioned in art. 10 of the Accounting Act, including the accounting policies. In our opinion the accounting policies disclosed in the supplementary notes to the financial statements of the Company is well adjusted to the specific character of the Company's business.

The approved closing balances as at 31 December 2010 were correctly entered into the books of account as opening balances as at 01 January 2011.

Our audit did not disclose any material weaknesses that would influence the financial data and information contained in the audited financial statements, and concerning:

- documentation of economic operations,
- reliability, correctness and verifiability of the books of account,
- relation between the booking entries and accounting evidence and the audited financial statements,
- methods of protecting access to the data and the computer data processing system,
- protection of accounting documentation, books of account and financial statements.

8 Statement of financial position

EQUITY & LIABILITIES (in kPLN)	31/12/2011	31/12/2010
EQUITY	57,498	53,052
Share capital	1,262	1,262
Supplementary capital	36,840	36,237
Reserve capital	9,902	9,902
Net profit	9,494	5,651
LONG-TERM LIABILITIES	6,350	7,437
Loan liabilities	2,423	4,134
Employee benefits liabilities	10	10
Deferred tax liabilities	3,917	3,293
SHORT-TERM LIABILITIES	49,329	54,155
Loan liabilities	1,856	1,711
Trade liabilities and other liabilities	46,496	51,431
Income tax liabilities	173	255
Employee benefits liabilities	477	417
Provisions	328	340
TOTAL EQUITY AND LIABILITIES:	113,177	114,644

The Company's financial statements for 2010 were not audited by Grant Thornton Frąckowiak.

9 Statement of comprehensive income

(in kPLN)	2011	2010
CONTINUED ACTIVITIES		
Sale revenues	108,867	120,078
Revenues from the sale of products	80,197	84,360
Revenue from the sale of goods	28,670	35,718
Sale costs	70,035	74,143
Costs of products sold	42,729	39,488
Value of goods sold	27,306	34,655
Gross profit on sales	38,832	45,935
Sale costs	27,205	32,454
Administration costs	6,275	6,743
Other operating income	315	447
Other operating expense	830	2,285
Operating profit (loss)	4,836	4,899
Financial income	6,452	3,372
Financial costs	658	1,408

Profit (loss) before taxation	10,630	6,864
Income Tax	1,135	1,213
Net profit (loss) on continued activities	9,494	5,651
DISCONTINUED OPERATIONS		
Net profit (loss) on discontinued operations	-	-
Net profit (loss)	9,494	5,651
OTHER COMPREHENSIVE INCOME		
Other comprehensive income after taxation	-	-
Comprehensive income	9,494	5,651

The Company's financial statements for 2010 were not audited by Grant Thornton Frąckowiak.

10 Information about certain financial statement items

The structure of assets and equity & liabilities of the Company is presented in the audited financial statement for the year ended on 31 December 2011.

Using a selected sample we verified the existence and measurement of assets, and in particular the inventories, receivables, shares in other parties, loans and cash. Furthermore, we verified the completeness of the Company's liabilities.

Revenues and related expenses were recognised in the books of account in accordance with the accrual basis and the matching principle.

The Company receives subsidies for telecommunication equipment sold at promotional prices from a telecommunication operator. Subsidies are settled in the form of invoices correcting the phone purchase prices and are recognized in the statement of comprehensive income as decrease of the own costs of sale.

11 Basic data and financial ratios

Below are presented selected data and financial ratios for the years 2010 and 2011, which describe the financial position of the Company in these periods. All ratios were calculated on the basis of data taken from the financial statements of the Company for the year ended on 31 December 2011.

Ratio	Calculation formula	Ratio value	
		2011	2010
sale revenue (kPLN)		108,867	120,078
net financial result (kPLN)		9,494	5,651
equity (kPLN)		57,498	53,052
total assets (kPLN)		113,177	114,644
asset profitability (ROA) (%)	net financial result / total assets at period end	8.4%	4.9%
Return on Equity (ROE) (%)	net financial result / equity at period beginning	17.9%	10.5%
ROS (%)	net profit from sale / sale revenue	4.9%	5.6%
Liquidity I	total current assets / short-term liabilities	1.3	1.2
Liquidity III	cash / short-term liabilities	0.1	0.1
stability of the financing structure assets to debt ratio (%)	(equity + long-term liabilities) / total equity&liabilities (total equity&liabilities - equity) / total equity&liabilities	56.4% 49.2%	52.8% 53.7%
Inflation ratios:			
average annual (%)		4.3	2.6
from December to December (%)		4.6	3.1

* ratios concerning 2010 were calculated on the basis of financial data taken from the financial statements audited by another auditor.

12 Going Concern

In Note 1.12 in the introduction to the audited financial statements of the Company for the year ended on 31 December 2011, the Management Board informed that the financial statements were drawn up in accordance with the going concern principle, i.e. an assumption that the Company would continue its business for the period of time not shorter than 12 months after 31 December 2011 and that there were no circumstances which would

indicate any threat to the going concern of the Company.

During the audit we did not note any material circumstances which would allow us to conclude that the Company might not continue its business for at least 12 months after the balance sheet date, i.e. 31 December 2011, in effect of intentional or forced discontinuation or material curtailment of its business.

13 Additional information about the adopted accounting principles and other supplementary notes

Supplementary notes about the adopted accounting policies and other supplementary notes to the financial statements for the financial year ended on 31 December 2011 were prepared in all material aspects in accordance with the accounting policies as resulting from the International Accounting Standards, the International Financial Reporting Standards as well as related interpretations published in the form of regulations of the European Commission, and in the scope not regulated therein - from the requirements of the Accounting Act and executive regulations thereto.

14 Report on the activities of the Company

We have read the report of the Management Board on the activities of the Company in the financial year ended on 31 December 2011. The information therein contained derived from the audited financial statements for the financial year ended on 31 December 2011 are compliant therewith. The report on the activities of the Company allows for the provisions of art. 49 clause 2 of the Accounting Act and the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information to be disclosed by security issuers and on conditions of recognition of information required by the laws of a state that is not a member-state (*Journal of Laws* of 2009 No. 33, item 259 as amended).

15 Law Observance

In the written statement received by us, the Management Board stated that in accordance with its best knowledge the Company observed all legal regulations the breach of which would materially impact the audited financial statements.

This report contains 8 pages.

Elżbieta Grześkowiak

Chartered Auditor No. 5014

Key Chartered Auditor conducting the audit on behalf of

Grant Thornton Frackowiak Spółka z ograniczoną odpowiedzialnością sp. k.

Poznań, ul. Abpa Antoniego Baraniaka 88 E, Entity authorised to audit financial statements No. 3654

Poznań, 12 March 2012.