

TELL S.A.

**ABBREVIATED INTERIM
SEPARATE FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 01 JANUARY 2012 TO 30 JUNE 2012

POZNAŃ, 20 AUGUST 2012

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

TABLE OF CONTENTS

BALANCE SHEET	1
STATEMENT OF CHANGES IN EQUITY	5
CASH FLOW STATEMENT.....	8
EXPLANATORY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS	10
1. General	10
2. Approval of the financial statements.....	10
3. Declaration of the Management Board of the Company.....	10
4. Chartered auditors.....	10
5. Drawing up basis and accounting rules.....	11
6. Significant Events and Transactions	11
7. Seasonality of business.....	11
8. Earnings per share	11
9. Operating segments	12
10. Goodwill	12
11. Intangible fixed assets.....	13
12. Tangible Fixed Assets	14
13. Fair value of financial instruments.....	15
14. Impairment charges.....	15
15. Core capital	16
16. Dividends	16
17. Purchase of treasury shares of Tell S.A.	16
18. Provisions.....	17
19. Contingent Liabilities	17
20. Litigations in Court.....	18
21. Transactions with related parties.....	18
22. Events after the Balance Sheet Date	19
23. Other significant changes in assets, liabilities, revenue and costs	19
24. Other information required by law (selected financial data converted into EUR).....	19
25. Approval for publication.....	20

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BALANCE SHEET

ASSETS	30/06/2012	30/06/2011	31/12/2011
Fixed assets			
Goodwill	21,298	21,298	21,298
Intangible fixed assets	281	377	311
Tangible Fixed Assets	2,494	3,055	2,797
Investment properties	-	-	-
Interests in related parties	25,636	25,636	25,636
Interests in associates	-	-	-
Receivables	632	695	660
Financial derivatives	-	-	-
Other long-term financial assets	-	-	-
Long-term prepayments	240	327	304
Deferred income tax assets	408	429	468
Fixed assets	50,990	51,818	51,474
Current assets			
Inventories	7,352	8,461	9,823
Receivables from building services contracts	-	-	-
Trade receivables and other receivables	26,681	32,739	35,121
Current tax assets	-	-	-
Loans	8,482	11,556	9,782
Financial derivatives	-	-	-
Other short-term financial assets	-	-	-
Short-term prepayments	436	473	221
Cash and Cash Equivalents	15,164	258	6,756
Fixed assets classified as held for trading	-	-	-
Current assets	58,115	53,487	61,703
Total assets	109,105	105,305	113,177

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BALANCE SHEET (CONT.'D)

EQUITY AND LIABILITIES	30/06/2012	30/06/2011	31/12/2011
Shareholder's equity			
<i>Equity - share of the company shareholders:</i>			
Core capital	1,262	1,262	1,262
Treasury shares (-)	-	-	-
- Share premium	24,863	24,863	24,863
Other Capitals	9,902	9,902	9,902
Retained profits:	26,567	17,303	21,471
- retained profit (loss)	21,471	11,976	11,976
- net profit (loss) - share of company's shareholders	5,097	5,326	9,494
Equity - share of the company shareholders	62,595	53,330	57,498
Non-controlling shares			
Shareholder's equity	62,595	53,330	57,498
Liabilities			
Long-term liabilities			
Loans, credits, other loan instruments	1,711	3,279	2,423
Financial lease	-	-	-
Financial derivatives	-	-	-
Other liabilities	-	-	-
Deferred tax liabilities	4,047	3,734	3,917
Employee benefits liabilities	10	10	10
Other long-term provisions		-	-
Long-term prepayments		-	-
Long-term liabilities	5,767	7,023	6,350
Short-term liabilities			
Trade liabilities and other liabilities	38,258	41,067	46,496
Current tax liabilities	298	58	173
Loans, credits, other loan instruments	1,711	3,410	1,856
Financial lease	-	-	-
Financial derivatives	-	-	-
Employee benefits liabilities	477	417	477
Other short-term provisions	-	-	328
Short-term prepayments	-	-	-
Liabilities related to fixed assets held for trading	-	-	--
Short-term liabilities	40,743	44,952	49,329
Total provisions	46,511	51,975	55,679
Total equity and liabilities	109,105	105,305	113,177

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INCOME STATEMENT

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
Continued activities			
Sale revenues	43,543	54,445	108,867
Revenues from the sale of products	-	-	-
Revenue from the sale of services	32,868	41,212	80,197
Revenue from the sale of goods and materials	10,675	13,232	28,670
Sale costs	25,276	34,252	70,035
Costs of products sold	-	-	-
Costs of services sold	15,166	21,789	42,729
Cost of goods and materials sold	10,110	12,463	27,306
Gross profit (loss) on sales	18,267	20,193	38,832
Sale costs	12,749	14,178	27,205
Administration costs	2,904	3,316	6,275
Other operating income	92	88	315
Other operating expense	515	165	830
Profit (loss) on the sale of subsidiaries (+/-)	-	-	-
Operating profit (loss)	2,191	2,621	4,836
Financial income	3,789	3,597	6,452
Financial costs	276	298	658
Share in the profit (loss) of companies measured using the equity method (+/-)	-	-	-
Profit (loss) before taxation	5,704	5,920	10,630
Income Tax	607	594	1,135
Net profit (loss) on continued activities	5,097	5,326	9,464
Discontinued operations			
Net profit (loss) on discontinued operations		-	-
Net profit (loss)	5,097	5,326	9,464
Net profit (loss) - share of:			
- company's shareholders	5,097	5,326	9,464
- non-controlling parties	-	-	-

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
<i>on continued operations</i>			
- basic	0.81	0.84	1.50
- diluted	0.81	0.84	1.50
<i>on continued and discontinued operations</i>			
- basic	-	-	-
- diluted	-	-	-

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STATEMENT OF COMPREHENSIVE INCOME

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
Net profit (loss)	5,097	5,326	9,464
Other comprehensive income			-
Revaluation of fixed assets	-	-	-
Available-for-sale financial assets:	-	-	-
- income (loss) recognised in the period as other comprehensive income	-	-	-
- recognised as profit or loss	-	-	-
Cash flow hedging instruments:	-	-	-
- income (loss) recognised in the period as other comprehensive income	-	-	-
- recognised as profit or loss	-	-	-
- amounts recognised in the initial value of the hedged items	-	-	-
Exchange differences on the measurement of foreign operations	-	-	-
Exchange differences recognised as profit or loss – sale of foreign operations	-	-	-
Share in other comprehensive income of companies measured using the equity method	-	-	-
Income tax referred to the other comprehensive income	-	-	-
Other comprehensive income after taxation	-	-	-
Comprehensive income	5,097	5,326	9,464
Comprehensive income - share of:			
- company's shareholders	5,097	5,326	9,464
- non-controlling parties	-	-	-

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STATEMENT OF CHANGES IN EQUITY

	Equity - share of the company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2012	1,262	-	24,863	9,902	21,471	57,498	-	57,498
Changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment of fundamental errors	-	-	-	-	-	-	-	-
Balance after changes	1,262	-	24,863	9,902	21,471	57,498	-	57,498
Changes in equity in the period from 01/01 to 30/06/2012								
Issue of shares	-	-	-	-	-	-	-	-
Issue of shares in relation with the option exercise (share-based payment programme)	-	-	-	-	-	-	-	-
Option measurement (share-based payment programme)	-	-	-	-	-	-	-	-
Transactions with non-controlling parties	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Financial result recognised as equity	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-
Net profit for the period from 01/01 to 30/06/2012	-	-	-	-	5,097	-	-	5,097
Other comprehensive income after taxation in the period from 01/01 to 30/06/2012	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	5,097	-	-	5,097
Transfer to retained profits (sale of revalued fixed assets)	-	-	-	-	-	-	-	-
As at 30/06/2012	1,262	-	24,863	9,902	26,567	62,595	-	62,595

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STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Equity - share of the company shareholders						Non-controlling shares	TOTAL EQUITY
	Core capital	Treasury shares (-)	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2011	1,262	-	24,863	9,902	17,025	53,052	-	53,052
Changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment of fundamental errors	-	-	-	-	-	-	-	-
Balance after changes	1,262	-	24,863	9,902	17,025	53,052	-	53,052
Changes in equity in the period from 01/01 to 30/06/2011								
Issue of shares	-	-	-	-	-	-	-	-
Issue of shares in relation with the option exercise (share-based payment programme)	-	-	-	-	-	-	-	-
Option measurement (share-based payment programme)	-	-	-	-	-	-	-	-
Transactions with non-controlling parties	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	- 5,048	- 5,048	-	- 5,048
Financial result recognised as equity	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	- 5,048	- 5,048	-	- 5,048
Net profit for the period from 01/01 to 30/06/2011	-	-	-	-	5,326	-	-	-
Other comprehensive income after taxation in the period from 01/01 to 30/06/2011	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	5,326	5,326	-	5,326
Transfer to retained profits (sale of revalued fixed assets)	-	-	-	-	-	-	-	-
As at 30/06/2011	1,262	-	24,863	9,902	17,303	53,330	-	53,330

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STATEMENT OF CHANGES IN EQUITY (CONTINUED)

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

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CASH FLOW STATEMENT

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
Cash flow from operating activity			
Profit (loss) before taxation	5,704	5,920	10,630
Adjustments:			
Depreciation of tangible fixed assets	429	702	1,199
Amortisation of intangible fixed assets	59	155	222
Change in the fair value of investment properties	-	-	-
Change in the fair value of financial assets (liabilities measured at fair value through profit or loss)	-	-	-
Cash flow hedging instruments transferred from equity	-	-	-
Impairment loss on financial assets	-	-	-
Profit (loss) on the sale of non-financial fixed assets	68	-21	152
Profit (loss) on the sale of financial assets (other than derivatives)	-	-	-
Exchange difference gains/losses	-	-	-
Interest expense	276	296	658
Interest and dividend income	-3,789	- 3,595	- 6,450
Cost of share-based payments (incentive programmes)	-	-	-
Share in the profit (loss) of associate companies	-	-	-
Other adjustments	-	-	-
Total adjustments	-2,957	-2,463	- 4,218
Change in inventories	2,471	4,372	3,009
Change in receivables	8,467	7,798	5,451
Change in liabilities	-8,237	-10,363	- 4,936
Change in provisions and prepayments	-478	-518	145
Change in building contracts	-	-	-
Changes in working capital	2,223	1,289	3,669
Inflows (outflows) from the settlement of derivatives	-	-	-
Interest paid on operating activities	-	-	-
Taxes paid	-293	-277	- 559
Net cash flow from operating activity	4,677	4,468	9,522

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CASH FLOW STATEMENT (CONTINUED)

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
Cash flow from investment activity			
Expenses to purchase fixed assets	-297	-164	- 661
Inflows from the sale of fixed assets	73	126	210
Expenses to purchase investment properties	-	-	-
Inflows from the sale of investment properties	-	-	-
Net expenses to purchase related parties	-	-1,287	-1,287
Net inflows from the sale of subsidiaries	-	-	-
Received repayments of loans granted	4,800	10,150	15,050
Loans granted	-3,500	-15,550	- 19,750
Expenses to purchase other financial assets	-	-	-
Inflows from the sale of other financial assets	-	-	-
Inflows from government subsidies received	-	-	-
Interest income	633	94	1,654
Dividend income	3,156	3,225	5,592
Net cash flow from investing activity	4,864	- 3,407	809
Cash flow from financial activity			
Net inflows from the issue of shares	-	-	-
Purchase of treasury shares	-	-	-
Transactions with non-controlling parties, with no loss of control	-	-	-
Inflows from debt securities in issue	-	-	-
Redemption of debt securities	-	-	-
Inflows from loans and credits contracted	-	843	-
Repayment of loans and advances	-858	-	- 1,566
Repayment of financial lease liabilities	-	-	-
Interest paid	-276	-296	- 658
Dividends paid	-	-5,048	- 5,048
Net cash flow from financial activity	-1,133	-4,500	- 7,272
Net change in cash and cash equivalents	8,408	-3,439	3,058
Cash and cash equivalents at period beginning	6,756	3,697	3,697
Exchange differences	-	-	-
Cash and cash equivalents at period end	15,164	258	6,756

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EXPLANATORY NOTES TO THE ABBREVIATED INTERIM SEPARATE FINANCIAL STATEMENTS

1. General

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

The principal place of business of the Company is at ul. Forteczna 19a, in Poznań 61-362.

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

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

Related parties:

Name of subsidiary	Seat	Percentage share of the Group in the share capital:		
		30/06/2012	30/06/2011	31/12/2011
Euro-Phone Sp. z o.o.	Piaseczno	100%	100 %	100 %
PTI Sp. z o.o.	Kraków	100 %	100 %	100 %
Connex Sp. z o.o.	Poznań	100 %	100 %	100 %
Toys4BoysPL Sp. z o.o.	Gdańsk	30 %	30 %	30 %

2. Approval of the financial statements

These abbreviated interim separate financial statements were approved for publication by the Management Board on 20 August 2012.

3. Declaration of the Management Board of the Company

Pursuant to the regulation of the Minister of Finance of 19 February 2009 on ongoing and periodical information to be given by issuers of securities, the Management Board of the Company hereby states and declares that, to the best of its knowledge, these abbreviated interim separate financial statements and comparable data have been prepared in accordance with the accounting policies binding on the Company and they present the economic and financial situation of the Company as well as its financial result in a true, reliable and fair manner and that the interim report on the activities presents a true picture of the development, achievement and situation of the issuer, including a description of basic risks and threats.

The Management Board hereby declares that the entity authorised to audit the financial statements that audited the abbreviated interim separate financial statements has been appointed in accordance with the legal regulations and that this entity as well as the chartered auditors in charge of the audit, meet the requirements allowing them to issue an impartial and independent report on the audit as per the applicable domestic laws and professional standards.

In accordance with the corporate governance rules adopted by the Management Board, the chartered auditor was appointed by the Supervisory Board by virtue of the resolution of 04 June 2012 on the appointment of a chartered auditor. The Supervisory Board made the above appointment so as to guarantee full independence and objectivity of the appointment process as well as the performance of his duties by the chartered auditor.

4. Chartered auditors

Grant Thornton Frąckowiak Sp. z o.o., Sp.k.
ul. Abpa A. Baraniaka 88E
61-131 Poznań

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5. Drawing up basis and accounting rules

5.1. Drawing up basis

The abbreviated interim separate financial statements of the Company cover the period of 6 months ended on 30/06/2012 and have been made in accordance with IAS 34 *Interim Financial Reporting*.

In order to ensure a more complete understanding of the economic and financial position of the Company, separate balance sheet made as at 30/06/2011, separate statement of comprehensive income, separate statement of changes in equity, separate cash flow statement for the year 2011 were additionally provided for comparable periods, even though there is no such requirement in IAS 34.

The abbreviated interim separate financial statements does not contain all the information that is disclosed in the annual separate financial statements prepared in accordance with IFRS. These abbreviated interim separate financial statements should be read together with the separate financial statements for the year 2011.

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

The abbreviated interim separate financial statements was prepared in accordance with the going concern principle. As at the date of the approval of these abbreviated separate financial statements for publication there are no circumstances which may pose a risk to the going concern assumption.

5.2. Accounting policies

In the first half of 2012 there were no changes to the accounting principles (rules) as regards the measurement of assets and equity & liabilities and the measurement of the financial result. These abbreviated interim financial statements have been prepared in accordance with the accounting principles (rules) applied in the last financial statements of the Company for the year ended on 31 December 2011.

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

5.3. Estimation Uncertainty

When preparing these abbreviated interim separate financial statements, the Company's management Board uses its best judgement when making the estimates and assumptions that influence the accounting policies (rules) applied and the presented values of assets, liabilities, revenue and costs. The actually realised values may differ from the estimates made by the Management Board.

Information about the estimates and assumptions that are material for the separate financial statements have been presented in the separate financial statements for the year 2011.

6. Significant Events and Transactions

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

7. Seasonality of business

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

8. Earnings per share

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

The calculation of earnings per share has been presented below:

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	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
Number of shares inserted in the denominator of the formula			
Average weighted number of ordinary shares	6,309,623	6,309,623	6,309,623
Dilution effect of options convertible into shares			
Average weighted diluted number of ordinary shares	6,309,623	6,309,623	6,309,623
Continued activities			
Net profit (loss) on continued activities	5,097	5,326	9,494
Basic profit (loss) per share (PLN)	0.81	0.84	1.50
Diluted profit (loss) per share (PLN)	0.81	0.84	1.50
Discontinued operations			
Net profit (loss) on discontinued operations	-	-	-
Basic profit (loss) per share (PLN)	-	-	-
Diluted profit (loss) per share (PLN)			
Continued and discontinued operations			
Net profit (loss)	5,097	5,326	9,494
Basic profit (loss) per share (PLN)	0.81	0.84	1.50
Diluted profit (loss) per share (PLN)	0.81	0.84	1.50

9. Operating segments

The Company does not identify operating segments, because it carries out a uniform economic activity related to mobile phones.

The Company conducts its operating activities on a single geographic area, i.e. the territory of Poland.

Subject to the trade secrecy clause, no information concerning the value of sales to a particular customers, whose volume exceeds 10% of total sales, has been presented.

Revenue from the sale of products and goods (in kPLN)	2012 First half	2011 First half	Change First half 2012/ First half 2011
Revenue from the sale of telecommunication services	29,020	38,347	75.68%
Sets and pre-paid refillments	6,867	8,763	78.37%
Postpaid contract phones	2,941	3,402	86.47%
Other revenue	4,714	3,934	119.84%
Total	43,543	54,445	79.98%

Service sale volume	2012 First half	2011 First half	Change First half 2012/ First half 2011
Postpaid activations	135,214	147,764	91.51%
Prepaid activations	48,289	56,252	85.84%
Total	183,503	204,016	89.95%

10. Goodwill

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

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
Gross value	21,298	21,298	21,298
As at period beginning	-	-	-
Business combinations	-	-	-
Sale of subsidiaries (-)	-	-	-
Net exchange differences on conversion	-	-	-
Other adjustments	-	-	-
Gross value at period end	21,298	21,298	21,298
Impairment loss	-	-	-
As at period beginning	-	-	-
Loss expensed as cost in the period	-	-	-
Net exchange differences on conversion	-	-	-
Other changes	-	-	-
Impairment loss at period end	-	-	-
Goodwill - carrying amount at period end	21,298	21,298	21,298

11. Intangible fixed assets

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

	Software	Other intangible assets	Total
for the period from 01/01 to 30/06/2012			
Net carrying amount as at 01/01/2012	94	216	311
Acquisition by a business combination	-	-	-
Increase (acquisition, production, lease)	30	-	30
Decrease (disposal, liquidation) (-)	-	-	-
Depreciation and amortisation (-)	-32	-27	-59
Impairment loss (-)	-	-	-
Reversal of impairment charges	-	-	-
Net exchange differences on conversion (+/-)	-	-	-
Net carrying amount as at 30/06/2012	92	189	281
for the period from 01/01 to 30/06/2011			
Net carrying amount as at 01/01/2011	139	359	498
Acquisition by a business combination	-	-	-
Increase (acquisition, production, lease)	33	-	33
Sale of a subsidiary (-)	-	-	-
Decrease (disposal, liquidation) (-)	-	-	-
Revaluation to fair value (+/-)	-	-	-
Depreciation and amortisation (-)	38	116	155
Impairment loss (-)	-	-	-
Reversal of impairment charges	-	-	-
Net exchange differences on conversion (+/-)	-	-	-
Net carrying amount as at 30/06/2011	134	243	377
for the period from 01/01 to 31/12/2011			
Net carrying amount as at 01/01/2011	139	359	498
Acquisition by a business combination	-	-	-

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Increase (acquisition, production, lease)	34	-	34
Sale of a subsidiary (-)	-	-	-
Decrease (disposal, liquidation) (-)	-	-	-
Revaluation to fair value (+/-)	-	-	-
Depreciation and amortisation (-)	-79	-143	- 222
Impairment loss (-)	-	-	-
Reversal of impairment charges	-	-	-
Net exchange differences on conversion (+/-)	-	-	-
Net carrying amount as at 31/12/2011	94	216	311

12. Tangible Fixed Assets

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

	Plants and machinery	Vehicles	Other fixed assets	Total
for the period from 01/01 to 30/06/2012				
Net carrying amount as at 01/01/2012	279	893	1,626	2,797
Acquisition by a business combination	-	-	-	-
Increase (acquisition, production, lease)	140	115	11	266
Sale of a subsidiary (-)	-	-	-	-
Decrease (disposal, liquidation) (-)	-15	-34	-91	-140
Revaluation to fair value (+/-)	-	-	-	-
Depreciation and amortisation (-)	-43	-139	-247	-429
Impairment loss (-)	-	-	-	-
Reversal of impairment charges	-	-	-	-
Net exchange differences on conversion (+/-)	-	-	-	-
Net carrying amount as at 30/06/2012	361	834	1,300	2,494
for the period from 01/01 to 30/06/2011				
Net carrying amount as at 01/01/2011	521	803	2,407	3,731
Acquisition by a business combination	-	-	-	-
Increase (acquisition, production, lease)	98	-	51	149
Sale of a subsidiary (-)	-	-	-	-
Decrease (disposal, liquidation) (-)	-1	-79	-47	-128
Revaluation to fair value (+/-)	-	-	-	-
Depreciation and amortisation (-)	-211	-127	-364	-702
Impairment loss (-)	-	-	-	-
Reversal of impairment charges	-	-	-	-
Net exchange differences on conversion (+/-)	-	-	-	-
Net carrying amount as at 30/06/2011	407	597	2,046	3,050
for the period from 01/01 to 31/12/2011				
Net carrying amount as at 01/01/2011	521	803	2,407	3,731
Acquisition by a business combination	-	-	-	-
Increase (acquisition, production, lease)	50	421	143	614
Sale of a subsidiary (-)	-	-	-	-
Decrease (disposal, liquidation) (-)	-7	-88	-254	-349
Revaluation to fair value (+/-)	-	-	-	-
Depreciation and amortisation (-)	-286	-243	-670	-1,199

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Impairment loss (-)	-	-	-	-
Reversal of impairment charges	-	-	-	-
Net exchange differences on conversion (+/-)	-	-	-	-
Net carrying amount as at 31/12/2011	279	893	1,626	2,797

13. Fair value of financial instruments

Changes in the fair value of financial assets and liabilities

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

Class of financial instrument	30/06/2012		30/06/2011		31/12/2011	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Assets:						
Loans	8,482	8,482	11,556	11,556	9,782	9,782
Trade receivables and other	24,278	24,278	32,739	32,739	35,781	35,781
Financial derivatives	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Listed shares	-	-	-	-	-	-
Non-listed shares and participations*	-	-	-	-	-	-
Investment fund units	-	-	-	-	-	-
Remaining classes of other financial assets	-	-	-	-	-	-
Cash and cash equivalents	15,164	15,164	258	258	6,756	6,756
Liabilities:						
Loan facilities	3,422	3,422	4,990	4,990	4,276	4,276
Overdraft facilities	-	-	1,699	1,699	3	3
Loans	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Financial lease	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-
Trade liabilities and other	38,257	38,257	37,716	37,716	46,668	46,668

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

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

Reclassification of financial assets

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

14. Impairment charges

Impairment of inventories:

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
As at period beginning	486	556	556
Loss expensed as cost in the period	-	-	-
Reversal of impairments in the period (-)	-	-	70
Other changes (net exchange differences on conversion)	-	-	-
At period end	486	566	486

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Impairment of receivables and loans:

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
As at period beginning	2,242	2,085	2,085
Loss expensed as cost in the period	421	116	158
Reversal of impairments carried as revenue in the period (-)	-	-	-
Provisions used (-)	-	-	-
Other changes (net exchange differences on conversion)	-	-	-
At period end	2,663	2,201	2,242

15. Core capital

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

Share capital as at the balance sheet day:

	30/06/2012	30/06/2011	31/12/2011
Number of shares	6,309,623	6,309,623	6,309,623
Par value of shares (PLN)	0.20	0.20	0.20
Core capital	1,261,924.60	1,261,924.60	1,261,924.60

16. Dividends

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

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

17. Purchase of treasury shares of Tell S.A.

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

The Company may acquire its treasury shares in accordance with the following principles:

- 1) the acquisition shall have the form of a published call mentioned in art.72 clause 1 item 1) of the Act of 29 July 2005 on public trading and on conditions of introduction of financial instruments into organised trading systems and on public companies (consolidated text in *Journal of Laws* of 2009, No. 185, item 1439 as amended),
- 2) the above-mentioned call shall concern shares which entitle to the right to 10,01% of total number of votes at the general meeting of shareholders of the Company,
- 3) the shares shall be acquired at PLN 14 (fourteen Polish zlotys) per share,
- 4) the authorisation to acquire the Company's treasury shares is valid until 31 December 2012,
- 5) the funds allocated to the acquisition of the Company's treasury shares, comprising the total treasury share acquisition price plus the acquisition costs, shall not exceed the total of PLN 9,902,202.28 (nine million nine hundred and two thousand two hundred and two Polish zlotys and 28/100). Simultaneously, the General Meeting of Shareholders hereby resolves to establish a reserve capital and allocate to this reserve the above-mentioned funds from the reserve capitals established in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 2 of 10 October 2008. The General Meeting of Shareholders hereby authorises the Management Board to use the reserve capital funds to acquire the Company's treasury shares for the purpose and at the terms and conditions as defined herein.

After the completion of the treasury share acquisition process, the Management Board shall immediately convene a General Meeting of Shareholders in order for it to adopt resolutions concerning the share redemption and decrease of the share capital.

The Management Board is obliged to fulfil all information obligations concerning the acquisition of treasury shares.

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

The Management Board of Tell S.A., acting pursuant to the authorisation given by virtue of Resolution No. 20/2012 of the Ordinary General Meeting of Shareholders of 16 May 2012 on the purchase of treasury shares for redemption, made on 28 May 2012 a contract with brokerage house Dom Maklerski BZ WBK S.A. with seat in Poznań concerning the publication and performance of the call for the subscription of the sale of shares. As per the contract, the brokerage house is obliged to notify on 29 May 2012 the Polish Financial Supervision Authority and the Warsaw Stock Exchange about the intention to call for a subscription for the sale of shares in the issuer.

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

18. Provisions

The value of provisions recognised in the abbreviated separate 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	Costs of remuneration	Other expenses	Other benefits	total
for the period from 01/01 to 30/06/2012						
As at period beginning	10	477	300	28	-	804
Provision increase carried as expense in the period	-	-	-	-	-	-
Write-back of provisions recognised as the revenue in the period (-)	-	-	-	-	-	-
Utilisation of provisions (-)	-	-	-300	-28	-	-328
Increase by business combinations	-	-	-	-	-	-
Other changes (net exchange differences after conversion)	-	-	-	-	-	-
Provisions as at 30/06/2012	10	477	-	-	-	487
for the period from 01/01 to 30/06/2011						
As at period beginning	10	417	300	40	-	757
Provision increase carried as expense in the period	-	-	-	-	-	-
Write-back of provisions recognised as the revenue in the period (-)	-	-	-	-	-	-
Utilisation of provisions (-)	-	-	-300	-40	-	-340
Increase by business combinations	-	-	-	-	-	-
Other changes (net exchange differences after conversion)	-	-	-	-	-	-
Provisions as at 30/06/2011	10	417	-	-	-	417
for the period from 01/01 to 31/12/2011						
As at period beginning	10	417	300	40	-	757
Provision increase carried as expense in the period	-	59	300	28	-	387
Write-back of provisions recognised as the revenue in the period (-)	-	-	-	-	-	-
Utilisation of provisions (-)	-	-	-300	-40	-	-340
Increase by business combinations	-	-	-	-	-	-
Other changes (net exchange differences after conversion)	-	-	-	-	-	-
Provisions as at 31/12/2011	10	477	300	28	-	804

19. Contingent Liabilities

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

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	30/06/2012	30/06/2011	31/12/2011
To related parties:			
Liability payment guarantee	24,225	19,900	16,050
Guarantees originated			
Guarantees originated in relation with the building services contracts			
Disputed cases and cases in court			
Other Contingent Liabilities			
Related parties	24,225	19,900	16,050
To associated parties:			
Liability payment guarantee			
Guarantees originated			
Guarantees originated in relation with the building services contracts			
Disputed cases and cases in court			
Other Contingent Liabilities			
Total associates	-	-	-
To other parties:			
Liability payment guarantee			
Guarantees originated			
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	24,225	19,900	16,050

20. Litigations in Court

The Company is a party 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 Company. Similarly, the total value of, respectively, liabilities and receivables litigated in court does not constitute at least 10 % of the equity of the Company.

There are no proceedings with the participation of the Company before any arbitration court.

21. Transactions with related parties

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

	Revenue from operating activities			Receivables		
	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011	30/06/2012	30/06/2011	31/12/2011
Sales to:						
the parent company						
a subsidiary	188	229	331	8,486	11,556	9,810
an associate						
a joint venture						
key management personnel						
other related parties						
Total	188	229	331	8,486	11,556	9,810

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	30/06/2012		30/06/2011		31/12/2011	
	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance	Originated in the period	Accumulated balance
Loans granted:						
to the parent company						
to a subsidiary	3,500	8,482	15,500	11,556	17,550	9,782
to an associate						
to a joint venture						
to a person from the key management						
to other related parties						
Total	3,500	8,482	15,500	11,556	17,550	9,782

22. Events after the Balance Sheet Date

After 30/06/2012, there have been no events which would require recognition in the abbreviated separate financial statements for the first 6 months of 2012:

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

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

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

In the periods covered by these abbreviated separate financial statements, the following average exchange rates of PLN and EUR published by the National Bank of Poland were used:

- the exchange rate in force on the last day of the reporting period: 30/06/2012 4.2613 PLN/EUR, 30/06/2011 3.9866 PLN/EUR, 31/12/2011 4.4168 PLN/EUR,
- the average exchange rate in the period, calculated as an arithmetical average of exchange rates in force on the last day of each month in the given period: 01/01 - 30/06/2012 4.2246 PLN/EUR, 01/01 - 30/06/2011 3.9673 PLN/EUR, 01/01 - 31/12/2011 4.1401 PLN/EUR,
- the highest and the lowest exchange rate in force in each period: 01/01 - 30/06/2012 4.5135 and 4.1062 PLN/EUR, 01/01 - 30/06/2011 3.9403 and 4.5642 PLN/EUR, 01/01 - 31/12/2011 4.5494 and 3.9345 PLN/EUR.

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

	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011	from 01/01 to 30/06/2012	from 01/01 to 30/06/2011	from 01/01 to 31/12/2011
	in k PLN			in k EUR		
Income statement						
Sale revenues	43,543	54,445	108,867	10,307	13,723	26,296
Profit (loss) from operating activity	2,191	2,621	4,836	519	661	1,168
Profit (loss) before taxation	5,704	5,920	10,630	1,350	1,492	2,568
Net profit (loss)	5,097	5,326	9,494	1,207	1,342	2,293
Net profit (loss) - share of the shareholders of the parent company	5,097	5,326	9,494	1,207	1,342	2,293
Earnings per share (PLN; EUR)	0.81	0.84	1.50	0.19	0.21	0.36
Diluted earnings per share (PLN; EUR)	0.81	0.84	1.50	0.19	0.21	0.36
Average exchange rate PLN / EUR in the period	X	X	X	4.2246	3.9673	4.1401
Cash Flow Statement						

Name of the group:	TELL S.A. GROUP		
Period covered by the financial statements:	01/01/2012 – 30/06/2012	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Net cash flow from operating activity	4,677	4,468	9,522	1,107	1,126	2,300
Net cash flow from investment activity	4,864	-3,407	809	1,151	-859	195
Net cash flow from financial activity	-1,133	-4,500	-7,272	-268	-1,134	-1,756
Change in cash and cash equivalents	8,408	-3,439	3,058	1,990	-867	739
Average exchange rate PLN / EUR in the period	X	X	X	4.2246	3.9673	4.1401
	30/06/2012	30/06/2011	31/12/2011	30/06/2012	30/06/2011	31/12/2011
	in k PLN			in k EUR		
Balance sheet						
Assets	109,105	105,305	113,177	25,604	26,415	25,624
Long-term liabilities	5,767	7,023	6,350	1,353	1,762	1,438
Short-term liabilities	40,743	44,952	49,329	9,561	11,276	11,168
Shareholder's equity	62,595	53,330	57,498	14,689	13,377	13,018
Total equity -share of the parent company shareholders	62,595	53,330	57,498	14,689	13,377	13,018
PLN / EUR exchange rate at period end	X	X	X	4.2613	3.9866	4.4168

25. Approval for publication

The abbreviated interim separate financial statements made for the period of 6 months ended on 30/06/2012 (including comparable data) have been approved for publication by the Company's Management Board on 20 August 2012.

Signatures of all Management Board Members

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

Signature of the person responsible for the preparation of the abbreviated interim separate financial statements

Date	Name and surname	Position	Signature
20 August 2012	Jolanta Stachowiak	Chief Accountant	