

Opinion and Report of a certified auditor
on the audit of the financial statements
made for 2012

Tell S.A. Group

Opinion of an independent chartered auditor

**Grant Thornton Frąckowiak
Spółka z ograniczoną
odpowiedzialnością sp. k.**

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To the Shareholders of Tell Spółka Akcyjna

- 1 We have audited the attached consolidated financial statements of the Group where the parent company is (Parent Company) with registered office in Poznań, ul. Forteczna 19a, comprising: the consolidated balance sheet made as at 31 December 2012, consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the period from 01 January 2012 to 31 December 2012, supplementary notes on the accounting policies adopted as well as other explanatory notes.
- 2 The preparation of the consolidated financial statements and the report on the activities of the Group in accordance with the legal regulations in force is the responsibility of the Management Board of the Parent Company. The Management Board and members of the Supervisory Board of the Parent Company are obliged to ensure that the consolidated financial statements as well as the report on the activities of the Group meet the requirements laid down in the Accounting Act of 29 September 1994 (consolidated text in *Journal of Laws of 2009 No. 152, item 1223 as amended*) (the "Accounting Act").
- 3 Our task was to audit the attached consolidated financial statements and give our opinion, on the basis of the audit, as to whether or not they are compliant with the adopted accounting policies and present fairly and reliably all the information material for the assessment of the economic and financial position as well as the financial result of the Group.

The audit of the attached financial statements was prepared in accordance with:

- the provisions of Chapter 7 of the Accounting Act,
- Polish financial auditing standards issued by the National Board of Chartered Auditors.

The audit was planned and carried out so as to gain reasonable certainty that the audited consolidated financial statements do not contain any material irregularities. The audit included the verification - mainly on a test basis - of the book-keeping entries and evidence confirming the values and information contained

in the audited consolidated financial statements. The audit comprised also the assessment of the accounting policies applied by the related parties, significant estimates made by the Management Board of the Parent company as well as the general presentation of the consolidated financial statements. We believe that the audit provided us with a sufficient base to express our opinion on the consolidated financial statements.

- 4 In our opinion, the audited consolidated financial statements in all material aspects:
 - present fairly and reliably the information material for the assessment of the assets and the financial position of the Group as at 31 December 2012 as well as its financial result for the financial year from 01 January 2012 to 31 December 2012,
 - have been made in accordance with the International Accounting Standards, the International Financial Reporting Standards as well as related interpretations as published by the European Commission in the form of regulations, and in the scope not governed by these Standards - pursuant to the provisions of the Accounting Act and the executive regulations issued on its basis
 - is compliant with the legal regulations binding the Group and relevant to the text of the consolidated financial statements.

- 5 Without any qualifications as to the reliability and fairness of the audited consolidated financial statements, we would like to draw the attention to the following issue: The Group Companies receive subsidies for telecommunication equipment sold at promotional prices from telecommunication operators. Methods of settling such subsidies differ depending on the operator, however they do not have any impact on the presented financial result. The impact of the settlement of subsidies on the consolidated financial statements was presented in Supplementary Notes to the consolidated financial statements, in the part describing the principles of accounting revenue on sales.

- 6 We have read the report on the activities of the Group in the period from 01 January 2012 to 31 December 2012 prepared by the Management Board of the Parent Company. In our opinion, this report 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 law.

Elżbieta Grześkowiak

Chartered Auditor No. 5014

Key Chartered Auditor conducting the audit on behalf of

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k.

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

Poznań, 15 March 2012.

Report on the audit of the financial statements for 2012

Tell S.A. Group

1. Information about the Parent Company

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

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

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

The objects of business of subsidiaries are related to the business of the Parent Company.

On 30 November 2004, the Parent 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 Parent Company was assigned the following VAT No. (NIP): 7791580574 and statistical No. (REGON): 630822208.

The share capital of the Parent Company as at the financial year end, i.e. 31 December 2012, amounted to kPLN 1,136. The equity of the Group as at the same date amounted to kPLN 60,206.

In accordance with Note 28.2 of the Supplementary Notes to the consolidated financial statements made as at 31 December 2012, the ownership structure of the Parent 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.	1,286,632	2,573,264	257,326	22.66%
Quercus Parasolowy SFIO and Ouercus Absolute Return FIZ	893,461	893,461	178,692	15.74%
AVIVA Investors FIO oraz AVIVA Investors SFIO	657,672	657,672	131,534	11.58%
Rafal Stempniewicz	257,854	415,336	51,571	4.54%
Havo Sp. z o.o.	675,000	675,000	135,000	11.89%
Other	1,912,637	2,002,627	382,528	33.59%
Total	5,678,030	7,212,134	1,135,606	100%

As at the balance sheet, the share capital was composed of 1,534,104 registered shares with voting preferences (two votes from one share) and 4,143,926 ordinary shares.

The Management Board of the Company as at 15 March 2013 was as follows:

- Rafal Stempniewicz – President of the Management Board,
- Robert Krasowski - Member of the Management Board,
- Stanislaw Górski - Member of the Management Board.

In the period from 01 January 2012 to 15 March 2013, the Management Board of the Company did not change.

2. Composition of the Group

As at 31 December 2012, the Tell S.A. Group comprised the following subsidiaries (direct and indirect) as well as joint ventures:

Name of company	Consolidation method	Type of opinion on the financial statements	Name of entity that audited the financial statements	Balance sheet date at which the financial statements were prepared
Euro-Phone Sp. z o.o.	Full consolidation	no qualifications	Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k.	31 December 2012
PTI Sp. z o.o.	Full consolidation	no qualifications	Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k.	31 December 2012

When compared to the previous year, there were no changes as regards the scope of companies subject to consolidation.

In 2012, the Parent Company held 30% of shares in Toys4Boys.pl Sp. z o.o. The associated company was not consolidated using the equity method due to its insignificance when compared to the data of the consolidated financial statements of the Group.

3. Consolidated financial statements for the previous year

The consolidated financial statements of the Group for the financial year ended on 31 December 2011 (previous financial year) were audited by Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k., on behalf of which acted Elżbieta Grześkowiak, chartered auditor No. 5013. The auditor made an unqualified opinion on the audited financial statements with explanation.

The consolidated financial statements of the Group for the financial year ended on 31 December 2011 was approved by the General Meeting of Shareholders of the Parent Company on 16 May 2012.

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

The required elements of the consolidated financial statements for the financial year ended on 31 December 2011 (previous financial year) along with the opinion of the chartered auditor and a resolution of the General Meeting of Shareholders on the approval of the consolidated financial statements were published on 13 September 2012 in *Monitor Polski B* number 2063.

4. 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 consolidated financial statements of the Group was managed by Elżbieta Grześkowiak, chartered auditor No. 5013.

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k. was appointed on 04 June 2012 to audit the consolidated financial statements of the Group for the financial year ended on 31 December 2012 by the Supervisory Board. The audit of the consolidated financial statements was conducted in accordance with the contract made on 19 July 2012 with the Management Board of the Parent Company.

5. Audit scope and date

The purpose of our audit was to express a written opinion and draw up a report on whether the consolidated financial statements for the financial year ended on 31 December 2012 presents fairly and reliably in all material aspects the assets and financial situation as well as the financial result of the Group in accordance with the accounting policies resulting from the International Accounting Standards, International Financial Reporting

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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 of 29 September 1994 (consolidated text: *Journal of Laws* of 2009 No. 152, item 1223 as amended) and executive regulations thereto.

During the audit of particular items of the consolidated financial statements and the consolidation documentation, 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.

Our audit did not deal with issues that do not have any influence on the consolidated financial statements audited by us.

The audit of the consolidated financial statements of the Group for the financial year ended on 31 December 2012 was conducted by us in the period from 01 March 2013 to 15 March 2013.

6. 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 consolidated financial statements of the Group 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).

7. Availability of data and statements received

The Management Board of the Company provided us with a written statement dated 15 March 2013 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 Group and would require the disclosure in the financial statements. The Management Board of the Parent 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, consequently there was no limitation as to the scope of our audit.

8. Consolidated balance sheet

ASSETS (in kPLN)	31/12/2012	31/12/2011	31/12/2010
FIXED ASSETS	66,193	66,788	66,541
Intangible Fixed Assets	957	485	632
Goodwill	57,581	57,581	57,481
Tangible Fixed Assets	4,133	5,059	5,908
Interests in related parties	1,287	1,287	-
Long-term receivables	1,001	1,184	1,258
Deferred income tax assets	999	888	874
Long-term prepayments	235	304	387
CURRENT ASSETS	68,757	77,943	81,592
Inventories	10,744	12,744	15,461
Trade receivables and other receivables	48,015	52,882	61,489
Accruals and prepayments	377	321	274
Financial assets	268	22	224
Cash and cash equivalents	9,352	11,975	4,145
TOTAL ASSETS:	134,950	144,731	148,133
EQUITY & LIABILITIES (in kPLN)	31/12/2012	31/12/2011	31/12/2010
EQUITY	60,206	59,732	55,354
Equity - share of the parent company shareholders	60,206	59,732	55,354
Non-controlling shares	-	-	-
LONG-TERM LIABILITIES	9,133	9,712	10,334
Loan liabilities	2,339	3,840	6,051
Employee benefits liabilities	74	36	33
Deferred tax liabilities	6,720	5,837	4,251
SHORT-TERM LIABILITIES	65,611	75,288	82,444
Loan liabilities	3,373	1,856	1,711
Trade liabilities and other liabilities	57,747	70,708	79,017
Income tax liabilities	1,232	184	584
Employee benefits liabilities	3,163	2329	658
Provisions	96	211	473
TOTAL EQUITY AND LIABILITIES:	134,950	144,731	148,133

The consolidated financial statements for 2010 were not audited by Grant Thornton Frackowiak.

9. Consolidated Income Statement

(in kPLN)	2012	2011	2010
CONTINUED ACTIVITIES			
Sale revenues	293,165	287,668	307,371
Basic operating expenses	279,104	274,533	292,771
Other operating income	510	1,055	766
Other operating expense	2,029	1,554	3,028
Operating profit (loss)	12,541	12,636	12,336
Financial income	490	238	223
Financial costs	909	956	2,328
Loss on account of control loss settlement	-	-	549
Profit (loss) before taxation	12,122	11,917	9,684
Income Tax	2,806	2,492	2,566
Net profit (loss) on continued activities	9,316	9,426	7,117
DISCONTINUED OPERATIONS			
Net profit (loss) on discontinued operations	-	-	-
Net profit (loss)	9,316	9,426	7,117
Net profit (loss) - share of:	9,316	9,426	7,117
- shareholders of the Parent Company			

The consolidated financial statements for 2010 were not audited by Grant Thornton Frąckowiak.

10. Consolidated comprehensive income statement

(in kPLN)	2012	2011	2010
Net profit (loss)	9,316	9,426	7,117
OTHER COMPREHENSIVE INCOME			
Revaluation of fixed assets			
Available-for-sale Financial Assets			
Cash flow hedging instruments			
Exchange differences on the measurement of foreign operations			
Exchange differences transferred to the financial result - sale of foreign operations			
Income tax referred to the other comprehensive income			
Other comprehensive income after taxation			
Comprehensive income	9,316	9,426	7,117
Comprehensive income - share of:	9,316	9,426	7,117
- shareholders of the Parent Company	9,316	9,426	7,117

The consolidated financial statements for 2010 were not audited by Grant Thornton Frąckowiak.

11. Basic data and financial ratios

Below are presented selected data and financial ratios for the years 2010, 2011 and 2012, which describe the financial position of the Group in these periods. All ratios were calculated on the basis of data taken from the consolidated financial statements of the Group for the years ended on 31 December 2011 and 31 December 2012.

Ratio	Calculation formula	Ratio value		
		2012	2011	2010
sale revenue (kPLN)		293,165	287,668	307,371
net financial result (kPLN)		9,316	9,426	7,117
equity (kPLN)		60,206	59,732	55,354
total assets (kPLN)		134,950	144,731	148133
ROA (%) (%)	net financial result / total assets at period end	6.9	6.5	4.8
ROE (%)	net financial result / equity at period beginning	15.6	17.0	13.0
ROS (%)	net profit from sale / sale revenue	4.8	4.6	4.7
Liquidity I	total current assets / short-term liabilities	1.0	1.0	1.0
Liquidity III	cash / short-term liabilities	0.1	0.2	0.1
stability of the financing structure	(equity + long-term liabilities) / total equity&liabilities	51.4	48.0	44.3
assets to debt ratio (%)	(total equity&liabilities - equity) / total equity&liabilities	55.4	58.7	62.6
Inflation ratios:				
average annual (%)		3.7	4.3	2.6
from December to December (%)		2.4	4.6	3.1

12. Going Concern

On page 12 of the supplementary notes to the audited consolidated financial statements of the Group for the year ended on 31 December 2012, the Management Board of the Parent Company informed that the financial statements of the Parent Company and the financial statements of the subsidiaries which were the basis for the preparation of the consolidated 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 2012 and that there were no circumstances which would indicate any threat to the going concern of the Parent Company or its subsidiaries.

During the audit we did not note any material circumstances which would allow us to conclude that the Parent Company might not continue its business for at least 12 months after the balance sheet date, i.e. 31 December 2012, in effect of intentional or forced discontinuation or material curtailment of its business.

13. Financial year

The financial statements of all Group companies, which were the basis for the preparation of the consolidated financial statements, were made as at 31 December 2012 and comprise financial data for the reporting period from 01 January 2012 to 31 December 2012.

14. Accounting policies and financial data presentation method

In supplementary notes to the consolidated financial statements for the year ended on 31 December 2012, the

Management Board of the Parent Company presented the Group's accounting policies and the financial data presentation method. In the period covered by the consolidated financial statements, there were no changes in the Group's accounting policies and financial data presentation method.

15. Goodwill on consolidation and profit from an occasional purchase

The consolidation goodwill determination principles, goodwill impairment principles and information allowing the assessment of changes in the carrying amount of the goodwill in the period from 1 January 2012 to 31 December 2012 were disclosed in the supplementary notes to the consolidated financial statements.

16. Shareholder's equity

The equity disclosed in the consolidated balance sheet as at 31 December 2012 is compliant with the consolidation documentation. As at 31 December 2012, there were no non-controlling shares. The financial data concerning equity were presented in Note 28.2 of the supplementary notes to the consolidated financial statements.

17. Consolidation exclusions

Exclusions from consolidation concerning consolidated companies:

- mutual settlements (receivables and liabilities),
- internal turnover (revenue and expenses),
- results not realised by the consolidated companies, included in the value of their assets,
- dividends

are compliant with the consolidation documentation.

18. Sale of shares in a related party

In the financial year ended on 31 December 2012, the Group did not dispose any shares in related parties.

19. Completeness and correctness of the consolidation documentation

In consequence of the audit, we concluded that the consolidation documentation is - in all material aspects - complete and correct and its meets the material conditions to be satisfied by consolidation documentation. In particular, this refers to consolidation exclusions.

20. Structure of assets and liabilities & equity of the consolidated balance sheet

The structure of assets and equity & liabilities of the Group is presented in the consolidated financial statement for the year ended on 31 December 2012. The data disclosed in the consolidated financial statements are compliant with the consolidation documentation.

21. Items influencing the financial result of the Group

The characteristics of items influencing the Group's financial result were presented in the audited consolidated financial statements for the year ended on 31 December 2012. The data disclosed in the consolidated financial statements are compliant with the consolidation documentation.

22. Additional information about the adopted accounting principles and other supplementary notes

Supplementary notes about the adopted accounting policies and other supplementary notes to the consolidated financial statements for the financial year ended on 31 December 2012 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.

23. Report on the activities of the Group

We have read the report of the Management Board of the Parent Company on the activities of the Group in the financial year ended on 31 December 2012. The information therein contained derived from the audited consolidated financial statements for the financial year ended on 31 December 2012 are compliant therewith. The report on the activities of the Group is compliant with the provisions of art. 49 of the Accounting Act.

This report contains 9 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, 15 March 2013.