

TELL S.A.

**THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM TO 31 DECEMBER 2013**

POZNAŃ, 17 MARCH 2014

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31/12/2013	31/12/2012
Fixed assets			
Goodwill	3	21,298	21,298
Intangible fixed assets	4	424	523
Tangible fixed assets	5	2,794	2,368
Investment properties			
Interests in related parties	2	25,636	25,636
Interests in associates			
Receivables and loans	7	348	351
Financial derivatives			
Other long-term financial assets			
Long-term prepayments	17	129	235
Deferred income tax assets liabilities	8	537	462
Fixed assets		51,168	50,873
Current assets			
Inventories	9	7,562	7,516
Receivables from building services contracts			
Trade receivables and other receivables	10	25,655	26,720
Current tax liabilities			
Loans	7	6,582	7,482
Financial derivatives			
Other short-term financial assets			
Short-term prepayments	17	222	306
Cash and cash equivalents	11	226	6,068
Assets classified as held for trading			
Current assets		40,248	48,094
Total assets		91,415	98,967

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STATEMENT OF FINANCIAL POSITION (CONT.'D)

EQUITY AND LIABILITIES	Notes	31/12/2013	31/12/2012
Shareholder's equity			
<i>Equity - share of the shareholders of the company:</i>			
Core capital	13	1,022	1,136
Treasury shares (-)			
- Share premium		24,863	24,863
Other reserve capitals		1,459	9,286
Retained profits:			
- retained profit (loss)		18,223	13,371
- net profit (loss) - share of company's shareholders		9,802	9,963
Equity - share of the shareholders of the company:		55,369	58,619
Non-controlling shares			
Shareholder's equity		55,369	58,619
Liabilities			
Long-term liabilities			
Loans, credits, other debt instruments	7		713
Financial lease			
Financial derivatives			
Other liabilities			
Deferred tax liabilities	8	4,047	4,047
Employee benefits liabilities	14	40	40
Other long-term provisions			
Long-term prepayments		4,087	
Long-term liabilities		4,087	4,800
Short-term liabilities			
Trade liabilities and other liabilities	16	25,773	29,689
Current tax liabilities		1,570	1,232
Loans, credits, other debt instruments	7	1,653	1,711
Financial lease			
Financial derivatives			
Employee benefits liabilities	14	2,962	2,901
Other short-term provisions	15		16
Short-term prepayments			
Liabilities related to assets held for trading			
Short-term liabilities		31,959	35,548
Total provisions		36,045	40,348
Total equity and liabilities		91,415	98,967

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STATEMENT OF PROFIT OR LOSS

	Notes	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Continued activities			
Sale revenues		85,690	85,558
Revenue from the sale of services		66,666	64,865
Revenue from the sale of goods and materials		19,024	20,693
Sale costs		42,673	46,926
Costs of services sold		24,507	28,474
Cost of goods and materials sold		18,166	18,452
Gross profit (loss) on sales		43,016	38,632
Sale costs		26,353	25,618
Administration costs		5,883	5,857
Other operating income	18	135	222
Other operating expense	18	2,034	1,534
Operating profit (loss)		8,881	5,845
Financial income	19	3,235	6,250
Financial costs	19	381	501
Profit (loss) before taxation		11,735	11,594
Income Tax	20	1,933	1,631
Net profit (loss) on continued activities		9,802	9,963
Discontinued operations			
Net profit (loss) on discontinued operations			
Net profit (loss)		9,802	9,963
Net profit (loss) - share of:		9,802	9,963
- company's shareholders		9,802	9,963
- non-controlling parties			

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	Notes	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
<i>on continued operations</i>			
	21		
- basic		1.82	1.60
- diluted		1.82	1.60
<i>on continued and discontinued operations</i>			
- basic		1.82	1.60
- diluted		1.82	1.60

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Net profit (loss)		9,802	9,963
Other comprehensive income			
Items not carried as financial profit or loss			
Revaluation of tangible assets			
Income tax referred to items not carried as financial profit or loss			
Items carried as financial profit or loss			
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 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 items carried as financial profit or loss			
Other comprehensive income after taxation			
Comprehensive income		9,802	9,963
Comprehensive income - share of:			
- shareholders of the Parent Company		9,802	9,963
- non-controlling parties			

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STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

	Notes	Equity - share of the company shareholders					Non-controlling shares	TOTAL EQUITY
		Share capital	Treasury shares (-)	Share premium	Other capitals	Retained profits		
As at 01/01/2013		1,136		24,863	9,286	23,334	58,619	58,619
Changes in accounting policies								
Adjustment of fundamental errors								
Balance after changes		1,136		24,863	9,286	23,334	58,619	58,619
Changes in equity in the period from 01/01 to 31/12/2013								
Purchase of shares			-7,941				-7,941	-7,941
Redemption of shares		-113	7,941		-7,827		0	0
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		-113	0		-7,827	-5,111	-13,052	-13,052
Net profit for the period from 01/01 to 31/12/2013						9,802	9,802	9,802
Other comprehensive income after taxation in the period from 01/01 to 31/12/2013								
Total comprehensive income						9,802	9,802	9,802
Transfer to retained profits (sale of revalued fixed assets)								
As at 31/12/2013		1,022	0	24,863	1,459	28,025	55,369	55,369

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STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY (CONT.'D)

	Notes	Equity - share of the company shareholders						Non-controlling shares	TOTAL EQUITY
		Share 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 31/12/2012									
Redemption of treasury shares		-126			-8,716		-8,842		-8,842
Issue of shares in relation with the option exercise (share-based payment programme)									
Option measurement (share-based payment programme)									
Changes in the Company's structure - transactions with non-controlling parties									
Dividends									
Financial result recognised as equity					8,100	-8,100	-		-
Total transactions with shareholders		-126			-616	-8,100	-8,842		-8,842
Net profit for the period from 01/01 to 31/12/2012						9,963	9,963		9,963
Other comprehensive income after taxation in the period from 01/01 to 31/12/2012									
Total comprehensive income						9,963	9,963		9,963
Transfer to retained profits (sale of revalued fixed assets)									
As at 31/12/2012		1,136		24,863	9,286	23,334	58,619		58,619

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CASH FLOW STATEMENT

	Notes	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Cash flow from operating activity			
Profit (loss) before taxation		11,735	11,594
Adjustments:			
Depreciation of tangible fixed assets		924	903
Amortisation of intangible fixed		174	135
Change in the fair value of investment properties			
Change in the fair value of financial assets (liabilities) carried as 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	105
Profit (loss) on the sale of financial assets (other than derivatives)			
Exchange difference gains/losses			
Interest expense		381	500
Interest and dividend income		-3,235	-6,250
Cost of share-based payments (incentive programmes)			
Share in the profit (loss) of associate companies			
Other adjustments			
Total adjustments		-1,721	-4,607
Change in inventories		-46	2,307
Change in receivables		1,068	8,709
Change in liabilities	22	-4,000	-15,125
Change in provisions and prepayments		319	445
Change in building contracts			
Changes in working capital		-2,658	-3,663
Inflows (outflows) from the settlement of derivatives			
Interest paid on operating activities			
Taxes paid		-1,669	-437
Net cash flow from operating activity		5,686	2,887

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CASH FLOW STATEMENT (CONT.'D)

	Notes	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Cash flow from investment activity			
Expenses to purchase intangible fixed assets		-75	
Expenses to purchase fixed assets		-1,448	-1,024
Inflows from the sale of fixed assets		63	98
Expenses to purchase investment properties			
Inflows from the sale of investment properties			
Net expenses to purchase related parties			
Net inflows from the sale of subsidiaries			
Received repayments of loans granted		12,130	5,800
Loans granted		-11,230	-3,500
Expenses to purchase other financial assets			
Inflows from the sale of other financial assets			
Inflows from government subsidies received			
Interest income	19	726	1,191
Dividend income	19	2,509	5,059
Net cash flow from investing activity		2,674	7,624
Cash flow from financial activity			
Net inflows from the issue of shares			
Purchase of treasury shares		-7,941	-8,842
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			
Repayment of loans and advances		-770	-1,856
Repayment of financial lease liabilities			
Interest paid	19	-381	-500
Dividends paid	21	-5,111	
Net cash flow from financial activity		-14,203	-11,198
Net change in cash and cash equivalents		-5,842	-687
Cash and cash equivalents at period beginning		6,068	6,756
Exchange differences			
Cash and cash equivalents at period end		226	6,068

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SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS

General information

a) Information about the company

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 shares of the company are listed at the Warsaw Stock Exchange.

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

b) Composition of the Management Board and the Supervisory Board of the Company

The composition of the Management Board of the company as at the day of approval of the financial statements for publication, 17 March 2014, was the following:

- 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 01 January 2013 to 17 March 2014, the composition of the Management Board of the Company did not change.

The Supervisory Board of the Parent Company as at 17 March 2014 was as follows:

- Paweł Turno – Chairman of the Supervisory Board,
- Jerzy Motz – Member of the Supervisory Board,
- Tomasz Mazurczak – Member of the Supervisory Board,
- Piotr Cholewa – Member of the Supervisory Board,
- Tomasz Słowiński – Member of the Supervisory Board.

The following persons resigned from their functions as members of the Supervisory Board: Mariola Więckowska, Łukasz Kręski, Piotr Karmelita and Robert Walicki. By virtue of resolution of the Extraordinary General Meeting of Shareholders of 27 September 2013, Mr Tomasz Mazurczak and Mr Jerzy Motz and by virtue of resolution of 10 March 2014 Mr Piotr Cholewa and Mr Tomasz Słowiński were appointed Members of the Supervisory Board.

c) Business of the Company

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.

d) Approval for publication

The financial statements made for the year ended on 31 December 2013 (including comparable data) have been approved for publication by the Company's Management Board on 17 March 2014.

e) 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 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 report on the activities of the issuer present a true picture of the development, achievement and situation of the issuer, including a description of basic risks and threats.

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The Management Board hereby declares that the entity authorised to audit the financial statements that audited the 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 opinion on the audit as per the applicable 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 03 June 2013 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.

Drawing up basis and accounting rules

a) Basis for the Preparation of the Financial Statements

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as approved by the European Union valid as at 31 December 2013.

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

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

b) Change of Standards and Interpretations

Amendments to the standards and interpretations in force and applied by the Company from 2013

New or amended standards and interpretations that have been effective since 01 January 2013 and their impact on the Company's statements:

- **New IFRS 13 *Fair Value Measurement***
The new standard unifies the term of fair value in all IFRS and IAS and introduces guidelines and rules that were dispersed in various standards. IFRS 13 does not determine which items are subject to fair value measurement. IFRS 13 introduces a new definition of the fair value, the guidelines of how to measure non-financial assets and introduces a number of new disclosures concerning the fair value. The Company met the requirement concerning the presentation of such disclosures in the Notes explaining the applicable assets and liabilities. IFRS 13 is applicable to annual periods beginning on or after 1 January 2013.
- **Amendment to IAS 1 *Presentation of Financial Statements***
The International Accounting Standards Board (IASB) changes the way of presentation of other comprehensive income. In accordance with the amended IAS 1, elements of other comprehensive income should be divided into two groups:
 - elements to be at a later stage reclassified to the financial result (e.g. effects of the measurement of hedging instruments) and
 - elements that will not be reclassified to the result (e.g. the measurement of fixed assets at fair value, which is later recognised in retained profits, omitting the result).

Additionally, the names of particular financial statements presenting the effects of the entity's activities changed into 'Statement of profit or loss' and 'Statement of profit or loss and other comprehensive income'.

The amendments to IAS 1 are applicable to annual periods beginning on or after 01 July 2012. The Company adjusted the presentation of the financial statements to amendments introduced by IAS 1.
- **Amended IAS 19 *Employee Benefits***
The document introduces a few changes, the most important of which concern the defined benefit plans:
 - liquidation of the 'corridor' method
 - presentation of effects of re-assessment of liabilities in other comprehensive income.

In relation with the fact that the Company does not have defined benefit plans, these changes did not influence its financial statements.

Additionally, the amended standard made the rules applicable to the recognition of termination benefit costs more detailed. It did not influence the profit or loss nor the liabilities disclosed in the financial statements.

The amended IAS 19 is applicable to annual periods beginning on or after 01 January 2013.

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- **New IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.**
The interpretation concerns the accounting approach to costs of stripping activities in surface mines to gain access to deeper mineral ore deposits. In accordance with the interpretation, these costs should be activated with a breakdown into stripping activity inventories (in the part falling to the mined ore) and stripping activity assets (in the part falling to gaining access to deeper deposits). It is applicable to annual periods beginning on or after 01 January 2013.
The effectiveness of IFRIC 20 does not have any influence on the Company's financial statements.
- **Amendments to IFRS 7 Financial Instruments: Disclosures**
Amendments to this standard provide for a necessity to disclose information about financial assets and financial liabilities which in the statement of financial position are recognised in net amounts. The entities are obliged to disclose in the explanatory notes the net and gross amounts of assets and liabilities that are subject to offsetting as well as terms and conditions of the framework agreement concerning the offsets. The amendments are applicable to annual periods beginning on or after 01 January 2013.
The amendment did not have any material impact on the financial statements of the Company.
- **Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards.**
The amendment to the IFRS 1 allows first-time IFRS adopter to recognise loans received from the state at preferential terms and existing as at the transfer date in accordance with one method selected by the entity from two available:

 - in accordance with the value resulting from the accounting rules applied so far or
 - in accordance with the value resulting from the retrospect application of applicable standards that require a particular manner of recognition of a government subsidy (IAS 20 and IFRS 9 or IAS 39) - on condition that there did exist information allowing an appropriate measurement as at the loan recognition date.

The amendment is applicable to annual periods beginning on or after 01 January 2013.
This amendment did not have a material impact on the financial statements.
- **Amendments to IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34 resulting from the 'Annual Improvements 2009-2011 Cycle', which are effective for annual periods beginning on or after 1 January 2013. Amendments to the standards include:**

 - **IFRS 1 First-time Adoption of International Financial Reporting Standards:** regulation of proceedings in case an entity applied the IFRS, then switched to other GAAP and consequently returned to the IFRS. In accordance with the amendment, the return to the IFRS may take place either on the basis of IFRS 1 or IAS 8. This amendment does not have any impact on the Company's financial statements.
 - **IFRS 1 „First-time Adoption of International Financial Reporting Standards:** pursuant to the amendment, when adopting the IFRS, the entity may recognize as at the IFRS adoption date the value of activated borrowing costs determined in accordance with the previous GAAP. After this date, IAS 23 should be applied. This amendment does not have any impact on the Company's financial statements.
 - **IAS 1 Presentation of Financial Statements:** the amendment consists in the resignation from the requirement to provide notes to the third statement of financial position, which is presented in the statements in case of changes to the accounting principles, to the presentation or to the error correction. Additionally, the third statement of financial position as at the day commencing the previous reporting period is required only when the entity did a retrospective change of accounting principles (policies) or retrospective transformation of items in the statement of financial position or reclassification of items in the statement of financial position, and such changes have a significant impact on the information contained in the statement of financial position as at the day commencing the previous reporting period. If the entity presents more than 2 reporting periods, there is no need to present a statement of financial position as at the day commencing the earlier comparable period. The amendment to IAS 1 did not influence the presentation of the Company's financial statements for the current period, because no retrospective changes were made, however it may influence the statements in the future.
 - **IAS 1 Presentation of Financial Statements:** more detailed definition of the presentation by an entity of additional periods or days (above the ones required in the standard) in the financial statements was provided, however the entity does not have to present them with regard to all statement elements (e.g. it may present only an additional statement of financial position without an additional statement of comprehensive income), it must, however, provide in the supplementary notes a special note concerning the additional statement element.
 - This amendment did not have any impact on the Company's financial statements.
 - **IAS 16 Tangible Fixed Assets:** an inconsistency leading to the fact that a part of the IAS 16 adopters was of the opinion that spare parts should be classified as inventories was eliminated. In accordance with the amended standard, they should be recognised as fixed assets or inventories as per the general criteria defined for assets in IAS 16.

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This amendment did not have any significant impact on the Company's financial statements.

- IAS 32 *Financial Instruments: Presentation*: a more detailed definition stipulating that the tax effects of payments to the shareholders and costs of capital transactions should be recognized in accordance with IAS 12. This amendment did not have any impact on the Company's financial statements.
- IAS 34 *Interim Financial Statements*: unification of requirements concerning the disclosure of information about the assets and liabilities of segments with those in IFRS 8. The amendment did not have any impact on the Company's financial statements for the whole year made on the basis of IAS 1.

The standards and interpretations in force in the version published by the IASB but not approved by the European Union are indicated below in the item concerning standards and interpretations that have not come into force and effect/

Application of a standard or interpretation before their effective date

No voluntary earlier application of any standard or interpretation was made in these financial statements.

Standards and interpretations published but not effective for period beginning on 01 January 2013 and their influence on the statements

By the date of these financial statements, the following new or amended standards and interpretations effective for annual periods beginning after 2013 have been published:

- **New IFRS 9 *Financial Instruments: Classification and Measurement***
This standard is to eventually replace the present IAS 39. Part of the so far published standard IFRS 9 contains regulations concerning the classification and measurement of financial assets, classification and measurement of financial liabilities as well as derecognition of financial assets and liabilities as well as hedge accounting. The effective date has not been determined and the standard has not been endorsed by the European Commission yet. The Company, however, is assessing the impact of this standard on the financial statements.
- **New IFRS 10 *Consolidated Financial Statements***
The new standard replaces most of IAS 27 *Consolidated and Separate Financial Statements*. IFRS 10 introduces a new definition of control, but the consolidation rules and procedures remain unchanged. In the Company's assessment these changes may have an impact on those entities whose consolidation in accordance with the present regulations was not clearly mandatory. The Company is currently assessing the impact of the new regulations. The effective date determined by IASB is 1 January 2013, however the European Commission introduced the obligation to apply the new standard to annual periods beginning on or after 1 January 2014.
- **New IFRS 11 *Joint Arrangements***
IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. In the new standard, the accounting approach to joint arrangement results from its economic content, i.e. rights and obligations of parties. Additionally, IFRS 11 eliminates the possibility to settle interest in joint ventures by means of a proportionate consolidation. These investments are settled using the equity method as currently applied for associated parties. The Company is currently assessing the impact of the new regulations. The effective date determined by IASB is 1 January 2013, however the European Commission introduced the obligation to apply the new standard to annual periods beginning on or after 1 January 2014.
- **New IFRS 12 *Disclosure of Interests in Other Entities***
IFRS 12 defines requirements concerning the disclosures of information on consolidated and non-consolidated entities in which the reporting entity holds significant interests. It will allow investors to assess the risk to which a company creating special purpose entities and other similar structures is exposed. In the Company's assessment this standard will result in extending the scope of disclosures in the financial statements. The effective date determined by IASB is 1 January 2013, however the European Commission introduced the obligation to apply the new standard to annual periods beginning on or after 1 January 2014.
- **Amendment to IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures***
Amendments to IAS 27 and 28 are a consequence of the introduction of IFRS 10, IFRS 11 and IFRS 12. IAS 27 will concern exclusively the separate financial statements, while IAS 28 will cover investments in joint ventures. The Company is currently assessing the impact of the new regulations. The effective date

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determined by IASB is 1 January 2013, however the European Commission introduced the obligation to apply the amendments to annual periods beginning on or after 1 January 2014.

- **Amendment to IAS 32 *Financial Instruments: Presentation***
This amendment introduces detailed explanation of the application of conditions concerning the presentation of financial assets and liabilities in net amounts. In the Company's assessment, this amendment will not have a material impact on the financial statements. The amendment is applicable to annual periods beginning on or after 01 January 2014.
- **Amendment to IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities***
Amendments to the newly issued standards concerning consolidation introduce more clear transitional provisions and some exemptions with regard to the presentation of comparable data. The Company is currently assessing the impact of the new regulations. The amendments are applicable to annual periods beginning on or after 01 January 2014.
- **Amendment to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements***
The amendment consists in the introduction of an exemption from the consolidation obligation for investment entities. The investment entity is an entity that meets the following definition:
 - receives funds from one or more investors in order to provide to such investors the investment management services,
 - undertakes before the investors that its business objective is investing funds exclusively with a view to gaining returns from the growth in the investment value and/or from dividends,
 - assesses the effectiveness of its investments on the basis of their fair value.
The Company is currently assessing the impact of the new regulations. The amendments are applicable to annual periods beginning on or after 01 January 2014.
- **New IFRIC 21 *Levies***
The new interpretation introduces rules determining the moment of recognition of levies other than the income tax governed by IAS 12. The interpretation lays down more details concerning rules stipulated in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. In the Company's assessment, this interpretation will have no impact on the financial statements. The interpretation is applicable to annual periods beginning on or after 01 January 2014.
- **Amendment to IAS 36 *Impairment of Assets***
Introducing the new IFRS 13 *Fair Value Measurement*, the IAS Board determined additional disclosures concerning impairment. Their scope has been defined too widely, therefore another amendment was introduced to narrow down the obligation to disclose the recoverable amount to impaired assets and CGUs. The company concluded that this would lead to the decrease in the number of disclosures made in the statements. The amendments are applicable to annual periods beginning on or after 01 January 2014.
- **Amendment to IAS 39 *Financial Instruments: Recognition and Measurement***
The existing provisions of IAS 39 resulted in the fact that when an entity designated a derivative as the hedging instrument and as a result of a change in law or regulation the counterparty to the hedging contract was replaced by the so-called central counterparty (e.g. a clearing agent), the hedging relationship must be discontinued. Owing to the amendment to the standard, such situations would not result in hedging discontinuation. In the Company's opinion, this amendment will not have influence on the statements. The amendments are applicable to annual periods beginning on or after 01 January 2014.
- **Amendment to IAS 19 *Employee Benefits***
The amendments consist in more precise definition of proceedings in a situation when the employees make contributions to cover the costs of the defined benefit plan. In the Company's opinion, this amendment will not have influence on the statements. The amendments are applicable to annual periods beginning on or after 01 July 2014.
- **Amendments to IFRS 2, IFRS 3, IFRS 8, IAS 16, IAS 24, IAS 38 resulting from the 'Annual Improvements 2010-2012 Cycle', which are effective for annual periods beginning on or after 01 July 2014. Amendments to the standards include:**
 - IFRS 2: The IASB made the standard more precise by changing or introducing new definitions of the following terms: market condition, service condition, vesting condition and performance condition. In the Company's assessment, this amendment will not have any impact on the financial statements.

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- IFRS 3: The IASB made the principles concerning contingent consideration measurement after the combination more precise so that they were consistent with other standards (mainly with IFRS 9 / IAS 39 and IAS 37). In the Company's assessment, this amendment will not have any impact on the financial statements.
 - IFRS 8: The IASB imposed on entities that aggregate operating segments a requirement to make additional disclosures concerning such aggregated segments and the economic characteristics underlying the aggregation. The Company is currently assessing the impact of this change on its financial statements.
 - IFRS 8: the amended standard stipulates that the requirement to disclose the reconciliation of the total of segment assets with the reported assets is obligatory only when asset values are reported as broken down into segments. In the Company's assessment, this amendment will not have any impact on the financial statements.
 - IAS 16 and IAS 38: The IASB introduced an amendment to the principle of computation of the gross and accumulated depreciation/amortisation in case of the revaluation model. In the Company's assessment, this amendment will not have any impact on the financial statements.
 - IAS 24: The definition of the related party was extended to include entities providing key management personnel services and appropriate disclosures. In the Company's assessment, this amendment will not have any impact on the financial statements.
- Amendments to IFRS 3, IFRS 13, IAS 40 resulting from the '*Annual Improvements 2011-2013 Cycle*', which are effective for annual periods beginning on or after 01 July 2014. Amendments to the standards include:
 - IFRS 3: it was clarified that the standard excluded the joint arrangement transactions in the financial statements of the joint arrangement. In the Company's assessment, this amendment will not have any impact on the financial statements.
 - IFRS 13: The IASB clarified the scope of application of the exemption concerning the measurement of the financial asset and liability portfolio in a net amount. In the Company's assessment, this amendment will not have any impact on the financial statements.
 - IAS 40: The IASB clarified that in case of an investment property acquisition, one should also determine whether this was an acquisition of a group of assets or a business combination in the scope of IFRS 3. The Company is currently assessing the impact of this change on its financial statements.
 - New IFRS 14 *Regulatory Deferral Accounts*
The new standard concerns exclusively entities that adopt IFRS and operate in sectors where governments regulate the pricing, e.g. gas, electricity and water supply. The standard permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS for the first time and later. The new regulations will not have any impact on the Company's financial statements. The standard is applicable to annual periods beginning on or after 01 January 2016.
The Company is currently assessing the impact of the new regulations.

The Company intends to implement the above regulation within the deadlines as set in the standard or interpretation.

c) Accounting policies

These financial statements were prepared in accordance with the historical cost method.

Presentation of the financial statements

The presented financial statements are compliant with IAS 1. The Company presents a separate 'Statement of profit or loss' that directly follows the 'Statement of profit or loss and other comprehensive income'.

The 'Statement of Profit or Loss' is presented in the functional classification, and the 'Cash Flow Statement' has been prepared using the indirect method.

In case of a retrospective introduction of amendments to the accounting policies or adjustment of errors, the Company additionally presents a statement of financial position made as at the beginning of the comparative period.

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.

Business combinations

Business combination transactions covered by IFRS 3 are settled using the acquisition method.

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As at the day of taking control, the acquiree's assets and liabilities are substantially carried at fair value and in accordance with IFRS 3 the assets and liabilities are identified, irrespective of the fact whether or not they have been disclosed in the financial statements of the entity prior to the acquisition.

The payment made in exchange for the control comprises the acquired assets, liabilities incurred as well as equity instruments issued - carried at fair value as at the acquisition day. The payment element is also a conditional payment measured at fair value as at the acquisition day. Costs related to the acquisition (advisory, appraisal etc.) do not constitute a payment for the acquisition but are recognised as cost on the day they have been incurred.

The goodwill (profit) is calculated as a difference between two values:

- the total payment made in exchange for the control, non-controlling shares and the fair value of shares held in the acquiree before the acquisition date, and
- the fair value of identifiable acquired net assets of the entity.

The surplus of the total calculated in the above-mentioned manner over the fair value of the identifiable acquired net assets of the entity is recognised in the assets of the balance sheet as goodwill. The goodwill corresponds to the payment made by the acquirer in expectation of future economic benefits from the assets that cannot be identified individually or recognised separately. After the initial recognition, the goodwill is carried at cost less accumulated impairment loss.

In case the above-mentioned total is lower than the fair value of identifiable acquired net assets of the entity, the difference is immediately recognised as profit or loss. The Company recognises the profit on acquisition in other operating income.

By 1 January 2010, with regard to business combinations the Company applied the acquisition method in the manner as defined in the IFRS 3 version (2004).

Interests in associates

Associates are entities not controlled by the Company but over which it does have a significant influence, participating in the determination of the financial and operating policies.

Investments in associates are initially recognised at cost, and thereafter measured using the equity method. Upon the moment of arising a significant inflow, the goodwill is determined as a difference between the investment's cost and the fair value of net assets attributable to the investor. The goodwill is recognised in the carrying amount of the investment in associates.

The carrying amount of the investment in associates is increased or decreased by:

- the share of the Company in the profits or losses in the associate,
- share of the Company in other comprehensive income of the associate resulting from, without limitation, the revaluation of tangible fixed assets and exchange differences on the conversion of foreign operations. These amounts are disclosed in correspondence with the appropriate item of the "comprehensive statement of comprehensive income",
- profits and losses on transactions between the Company and the associate, which are subject to exclusion up to the level of the share held,
- received payments from profits generated by the associate, which lower the investment's carrying amount.

Transactions in Foreign Currencies

The financial statements are presented in Polish zloty (PLN), which is also the functional currency of the Company.

Borrowing Costs

The borrowing costs that can be directly allocated to the acquisition, construction or generation of an adjusted asset, are activated as part of the cost of such an asset. The borrowing costs comprise interest and exchange difference gains or losses up to the amount corresponding to the adjusted interest expense.

The above principles are applied by the Company prospectively, starting from 1 January 2009.

Goodwill

The goodwill is initially recognized in accordance with IFRS 3 (cf. the above item concerning business combinations). The goodwill is not subject to amortisation, however it is annually tested for impairment as per IAS 36 (cf. the item concerning the impairment of non-financial fixed assets).

Intangible fixed assets

The intangible fixed assets comprise licences, software as well as other intangible assets that meet the recognition criteria defined in IAS 38. This item also contains intangible assets which have not been put to use yet (intangible fixed assets in production).

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The intangible fixed assets as at the balance sheet day are recognised at cost less accumulated depreciation and accumulated impairment charge. The intangible fixed assets with a determined useful life are amortized in accordance with the straight-line method over their entire useful economic life. The useful lives of particular intangible assets are subject to annual verification and, if need be, are adjusted as of the beginning of the next financial year.

The estimated useful lives for particular groups of intangible assets are as follows:

	Period
Licences	5 years
Software	5 years
Other intangible assets	5 years

The costs related to the maintenance of software incurred in later periods are recognised as cost of the period in which they are incurred.

Gains or losses on the disposal of intangible fixed assets are determined as a difference between the revenue from the sale and the net value of such intangible assets and are recognised as profit or loss in the item other operating revenue or costs.

Tangible fixed assets

The tangible fixed assets are initially recognised at cost. The acquisition price is increased by all costs directly related to the purchase and adjustment of the asset to its use.

After initial recognition, the tangible fixed assets, with the exception of lands, are recognised at cost less accumulated depreciation and accumulated impairment charge. The tangible fixed assets in construction are not depreciated before the end of the construction or assembly and before being put to use.

The depreciation is made in accordance with the straight-line method over the estimated useful life of the given asset. Such lives for particular groups of assets are the following:

	Period
Plants and machinery	2-5 years
Vehicles	2 - 5 years
Other fixed assets	2-10 years

The depreciation starts in the month in which the given fixed asset is available for use. The useful economic lives and the depreciation methods are verified annually, leading to depreciation charge adjustments, if any, in subsequent years.

The tangible fixed assets are divided into component parts constituting items of material value, to which separate useful economic lives can be assigned. Component parts are also the costs of general overhauls as well as significant spare parts and accessories, if they will be used for a period of time longer than one year. The current maintenance costs incurred after the date an asset has been put to use, such as repair and maintenance costs, are charged as profit or loss upon their incurring.

A given tangible fixed asset may be derecognised when disposed of or when no future economic benefits from further use of the given asset are expected. Gains or losses on the sale/liquidation or discontinuance of the use of fixed assets are determined as a difference between the revenue from the sale and the net value of such assets and are recognised as profit or loss, in other cases - as operating income or costs.

Leased assets

Lease contracts on the basis of which the lessee substantially retains all the risks and rewards incidental to ownership are operating lease contracts. The lease payments under operating lease are recognised in profit or loss on the straight-line basis over the lease term.

Impairment of non-financial fixed assets

The following assets are subject to the annual test for impairment:

- goodwill, whereby the first test for impairment is made at the end of the period during which the combination took place,

The remaining intangible assets and tangible assets are tested for indications of impairment. In case any events or circumstances may indicate difficulties in recovering the carrying amount of the given asset, it is tested for impairment.

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For the purposes of the impairment test, the assets are grouped at the lowest level at they generate cash flows independent of other cash flows by other assets or groups of assets (so-called cash-generating units). The assets that independently generate cash flows are tested independently.

The goodwill is allocated to those cash generating unit from which the benefits of synergy resulting of business combination are expected, whereby the cash-generating units are at least operating segments.

If the carrying amount exceeds the estimated recoverable amount of assets of cash generating units to which the assets belong, the carrying amount is lowered to the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. In measuring the value in use, the estimated future cash flows are discounted to the present value using the discount rate reflecting the actual market assessment of the time value of money and risk related to the given asset.

The impairment loss is first allocated to goodwill. The remaining charge proportionally lowers the carrying amount of assets comprised in the cash generating unit.

The impairment loss is recognised as profit or loss in the "Other operating costs" item.

The goodwill impairment is not reversed in subsequent periods. In case of other assets, the evidence indicating the possibility of reversing the impairment charge is reviewed at subsequent balance sheet dates. The charge reversal is recognised as profit or loss in the "Other operating income" item.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset or a financial liability is disclosed in the balance sheet when the Company becomes a party to this instrument. Standard financial asset and liability buying and selling transactions are recognised at the transaction date.

A financial asset is derecognised in case when the contractual rights to economic benefits and resulting risks have been realized, expired of the Company waived them.

The Company derecognises a financial liability when it is extinguished – i.e. the obligation specified in the contract is discharged or cancelled or expired.

The Company measures the financial assets and liabilities at fair value as at the acquisition date, i.e. most often in accordance with the fair value of the consideration paid in case of an asset or received in case of a liability. The transaction costs are included by the Company in the initial measurement of all financial assets and liabilities, except for the category of assets and liabilities carried at fair value through profit or loss.

As at the balance sheet date, the financial assets and liabilities are measured in accordance with the principles presented below.

Financial assets

For the purpose of the measurement after the initial recognition, the financial assets other than the hedging derivatives are classified by the Company as follows:

- loans and receivables,
- financial instruments at fair value through profit or loss,
- held-to-maturity investments.

These categories determine the measurement principles as at the balance sheet date and the recognition of measurement gains or losses in the financial income or in other comprehensive income. The profits or losses recognized in the financial result are presented as financial income or expense, except for the trade receivables impairment charges that are presented as other operating expenses.

All financial assets except those carried at fair value through profit or loss are tested for indications of impairment at each balance sheet date. A financial asset is subject to a write-down when there is any objective evidence of its impairment. The impairment indications are analysed separately for each category of financial assets as presented below.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method. The short-term receivables are measured at required payment amount due to the insignificant discount effects.

Financial assets qualified to the loans and receivables category are disclosed in the balance sheet as:

- long-term assets in the item "Receivables and loans" and
- short-term assets in the items "Loans", "Trade receivables and other receivables" and "Cash and cash equivalents".

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The provisions for bad receivables are set up when the recovery of a full amount is no longer probable. Significant receivables balances are subject to individual review in case of defaulting debtors or when there is objective evidence that the debtor may not be able to discharge his obligations (e.g. difficult financial position of the debtor, court case pending against the debtor, changes in the economic environment that are unfavourable to the debtor). In case of receivables not subject to individual review, the indications of impairment are analysed in groups of assets determined on the basis of credit risk (resulting from, for example: the sector, region or structure of clients). The impairment rate for particular groups is based on trends in repayment difficulties experienced by debtors and observed in recent past.

Financial Liabilities

Financial liabilities other than hedging derivatives are disclosed in the following balance sheet items:

- loans, credits, other loan instruments,
- trade liabilities and other liabilities.

After the initial recognition the financial liabilities are measured at amortised cost using the effective interest method, with the exception of financial liabilities for trading or designated at fair value through profit or loss. The category of financial liabilities carried at fair value through profit or loss includes derivatives other than hedging instruments. Short-term trade liabilities are measured at required payment amount due to the insignificant discount effects.

The gains and losses on financial liability measurement are recognised as profit or loss from financial activities.

Inventories

The inventories are measured at the lower of the cost or net realisable price. The cost comprise the acquisition costs and other costs incurred in order to ensure that the inventories are at their present location and in their present state.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and cash in bank, demand deposits as well as short-term, highly liquid investments (up to 3 months) readily convertible to cash, which are subject to an insignificant risk of changes in value.

Shareholder's equity

The share capital is recognised in the nominal value of shares issued, in accordance with the Articles of Association of the Company and the entry in the National Court Register.

The Company's treasury shares purchased and retained by the Company decrease the equity. The treasury shares are measured at cost.

The share premium arises from the surplus of the issue price over the nominal value of shares less the costs of issue.

Retained profits contain the results from previous years (also those transferred to the capital on the basis of shareholders' resolutions) as well as the financial result of the current year.

All transactions with the shareholders of the Company are presented separately in the "Statement of Changes in Equity".

Short-term employee benefits

The value of short-term employee benefits is determined without discount and disclosed in the balance sheet in their due amount.

Provisions for accrued holidays

The Company sets up a provision for the costs of accumulated payable holidays which it will have to pay in result of the employee's failure to use their entitlement accrued as at the balance sheet day. The provision for accrued holidays is a short-term provision and is not subject to discounting.

Retirement benefits and jubilee bonuses

In accordance with the pay systems in force in the Company, the employees of the Company are entitled to retirement benefits. Retirement benefits are paid on a one-off basis upon the employee's retirement. The retirement benefit amount depends on the length of service and the average remuneration of the employee.

The Company creates a provision for future retirement benefit liabilities in order to allocate the costs to the employees' entitlement acquisition periods.

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Provisions, contingent liabilities and assets

The Company recognises a provision on its balance sheet when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The date of incurring and the amount to be settled may be uncertain.

Provisions are created for the following purposes, without limitation:

- court proceedings in course and matters in dispute.

No provisions are set up for future operating losses.

Provisions are recognised in the amounts of estimated expenditures necessary to fulfil the present obligation on the basis of the most reliable evidence available as at the date of the financial statements, including those concerning the risk and degree of uncertainty. When the time value of money is material, the provision is measured by discounting the estimated future cash flows to the present value by applying the discount rate reflecting the actual assessment of the time value of money and the possible risk related to the given liability. When a discounting method has been applied, the provision increase with the passage of time is recognised as financial expense.

When the Company expects that the provision-covered costs will be returned, e.g. on the basis of insurance contract, the return is recognised as a separate asset, but only when it is practically sure that the return will effectively take place. However, the value of this asset may not exceed the amount of provision.

In case the outflow of resources to settle the present obligation is not probable, the contingent liability is not recognised, with the exception of contingent liabilities identifiable in the process of business combinations as per IFRS 3.

Information about contingent liabilities is disclosed in the descriptive part of the financial statements in Note No. 24. The Company also presents information about contingent liabilities from payments under operating lease contracts (Note No. 6).

The possible inflows of resources embodying economic benefits for the Company, which do not meet yet the recognition criteria as assets, constitute contingent assets, which are not recognised in the balance sheet. The information about contingent assets is disclosed in the supplementary notes.

Prepayments and accruals

The Company discloses prepaid costs concerning future reporting periods, mainly lease rents and property insurance costs in the "Prepayments" item.

Sale revenues

The revenue from sale are recognized in the fair value of the consideration received or receivable for goods and services delivered or rendered in the course of ordinary economic activities less discounts, value added tax and other sale-related taxes (excise tax). The revenue is recognised in an amount it is probable that the Company will obtain economic benefits associated with a given transaction and the given amount of revenue can be measured reliably.

Sale of goods

The revenues from the sale of goods are recognised if the following conditions have been met:

- the Company has transferred onto the buyer the significant risks and rewards of ownership of the goods. The condition is considered met upon the undisputed delivery of goods or products to the consignee.
- the amount of revenue can be measured reliably.
- it is probable that the Company will obtain economic benefits associated with the given transaction, and
- the costs incurred and to be incurred in connection with transaction can be measured reliably.

Rendering of Services

Services provided by the Company comprise mainly the services for Orange Polska S.A. (formerly PTK Centertel Sp. z o.o.) - Orange network operator.

Interest and dividends

Interest income is recognized gradually upon accrual using the effective interest method. The dividends are recognised when the shareholder's right to receive payment is established.

Operating costs

The operating costs are recognised in the income statement in accordance with the principle of matching of costs with revenues. The Company presents the costs in the financial statements as per the places they were generated.

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Income tax (including the deferred tax)

The taxation on the financial result comprises the current income tax as well as the deferred income tax that has not been recognised in other comprehensive income or directly in equity.

The current tax is calculated on the basis of the tax result (taxation basis) of the given financial year. The tax profit (loss) is different from the gross book profit (loss) in relation with the temporary shift of taxable income and tax deductible costs of subsequent periods as well as exclusion of non-taxable costs and revenue. The taxes are calculated on the basis of tax rates in force in the given financial year.

The deferred tax is measured for all taxable temporary differences as at the balance sheet date between the carrying value of assets and liabilities and their taxable value.

The deferred tax liability is recognised for all taxable temporary differences and the deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the recognized deductible temporary differences can be utilised. No assets or liabilities are recognised when the temporary difference results from the initial recognition of the asset or liability in a transaction that is not a business combination and that, when occurred, does not have any influence on the tax result or the book result. No deferred tax liability is recognised on the goodwill, which is not amortisable in accordance with the tax regulations. The deferred tax is measured using the tax rates that are expected to apply to the period when the asset is realized or a liability is settled based on the tax rates (and tax laws) that have been enacted at the balance sheet date.

The deferred tax asset is analysed as at each balance sheet date and when the expected future taxable profit will not be sufficient to realize an asset or its part, it is impaired.

Subjective Assessments of the Management Board and Uncertainty of Estimates

When preparing these financial statements, the 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 made that are significant for the financial statements is presented below.

Useful economic lives of fixed assets

The Management Board of the Company annually verifies the useful economic lives of fixed assets subject to depreciation/amortisation. As at 31/12/2013, the Management Board confirmed that the useful lives of assets as assumed by the Company for depreciation/amortisation purposes reflect the expected time distribution of economic benefits from these assets in the future. However, the actual time distribution of economic benefits from these assets may be different from the assumptions, also because of their technical ageing. The carrying amount of fixed assets subject to depreciation/amortisation is presented in Notes No. 4 and 5.

Provisions

Provisions for employee benefits comprise retirement benefits and provisions for retirement benefits.

Deferred tax assets

The probability of settling a deferred tax asset by future tax profits is based on the budget of Company as approved by the Management Board of the Company. If the anticipated financial results suggest that the Company will generate taxable income, the deferred tax assets are recognised in full.

Impairment of Non-financial Assets

In order to determine the value in use, the Management Board estimates the forecast cash flows as well as the rate by which the flows are discounted to their present value (cf. item concerning the impairment of non-financial assets). During the measurement of the present value of future flows, assumptions concerning the forecast financial results are made. These assumptions concern future events and circumstances. The actually realised values may differ from the estimates, which may lead, in subsequent reporting periods, to significant adjustments of the value of Company's assets.

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1. Operating segments

The Company does not identify operating segments, because it carries out uniform economic activities related to intermediation in the sale of mobile communications services. However, due to formal requirements of particular mobile phone operators, the Company conducts its business through separate subsidiaries.

The Company conducts its operating activities on a single geographic area, i.e. the territory of Poland. The Company's main supplier is Orange Polska S.A. with registered office in Warsaw. Approx. 91% of sales of Tell S.A. in 2013 was effected based on the contract with Orange Polska S.A..

2. Interests in related parties

Interests in subsidiaries

The table below presents a list of investments in subsidiaries subject to consolidation.

	Seat of subsidiary	Share capital held	31/12/2013		31/12/2012	
			Acquisition price	Accumulated impairment	Acquisition price	Accumulated impairment
Euro-Phone Sp. z o.o.	Piaseczno	100%	13,324		13,324	
PTI Sp. z o.o.	Poznań	100%	11,025		11,025	
Total			24,349		24,349	
Carrying amount of the investment			24,349		24,349	

The table below presents a list of investments in subsidiaries not subject to consolidation.

	Seat of subsidiary	Share capital held	31/12/2013		31/12/2012	
			Acquisition price	Accumulated impairment	Acquisition price	Accumulated impairment
Toys4Boys.pl Sp. z o.o.	Gdańsk	30%	1,287		1,287	
Total			1,287		1,287	
Carrying amount of the investment			1,287		1,287	

The value of investments in related parties is subject to a test for impairment made annually or more often, if there are indications of such impairment. In case of indications of impairment, the Company determines the investment's recoverable amount. This amount is the value in use estimated on the basis of discounted future cash flows. In 2013, the Company did not make any impairment charges with regard to the above-mentioned investments.

3. Goodwill

Changes in the carrying amount of goodwill in periods covered by the financial statements are presented in the table below:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Gross value		
As at period beginning	21,298	21,298
Business combination		
Sale of subsidiaries (-)		
Net exchange differences on conversion		
Other adjustments		
Gross value at period end	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

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

The goodwill presented in the assets of the balance sheet concerns the acquisition of the following companies:

	31/12/2013	31/12/2012
Taurus	1,202	1,202
Havo	20,096	20,096
Total goodwill	21,298	21,298

The Company conducted internal goodwill impairment tests as at the balance sheet date. The test procedures did not indicate any goodwill impairment. The recoverable amount of particular cash generating units was established on the basis of calculated value in use.

Cash generating unit

The value in use was calculated in each instance on the basis of cash flow forecasts based on the financial budgets covering the period of 5 years. The forecasts reflect the management's existing experience related to the business and an analysis of external indications. The material assumptions concerning the discount rate and the assumed growth rate after the detailed forecast period are presented in the table below:

No.	Name of the company	Taurus	Havo
1.	Forecast period	5 years	5 years
2.	Discount rate	10.9%	10.9%
3.	Growth rate after the budget period	0%	0%

Other key assumptions used for the calculation of the value in use

The estimation of the value in use of a cash generating unit is sensitive to the following variables:

- cash flows;
- discount rate;
- market share in a budget year;
- growth rate applied when estimating cash flows outside the scope of budgeted periods.

Cash flows – are made on the basis of values achieved in the periods preceding the budget period and on the prudent estimates concerning the future derived from them.

Discount rate – reflects the estimation of risk typical for Tell S.A. made by the management. This is an indication used by the management in order to estimate the operational effectiveness (results) and future investment proposals.

The discount rate and the growth rate of future cash flows assumed for the determination of the recoverable amount was expressed in real values, i.e. disregarding the inflation. The cash flow and the discount rate are compliant with the IAS 36 methodology, i.e. they do not include the income tax paid by the Company. Had the tax effect been accounted for in the discount rate, it would amount to 8.9%.

Assumptions concerning the market shares – these assumptions are material because the management assesses the ways in which the economic and financial position of TELL S.A. may change during the budget period with respect to competitors. The management expects that the market share of Tell S.A. will be stable in the budget year.

Estimated growth rate - not assumed.

Sensitivity to changes of assumptions

In case of the estimation of the value in use, the management is convinced that no reasonably possible change of any key assumption made above would result in exceeding by the carrying amount of such unit of its recoverable amount adjusted by the book value of net assets.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

4. Intangible fixed assets

The intangible fixed assets used by the Company comprise licences, computer software as well as other intangible assets.

	Licences Software	Other intangible assets	Total
As at 31/12/2013			
Gross carrying amount	2,158	5,011	7,085
Accumulated depreciation/amortisation and impairment charges	-2,074	-5,011	-7,085
Net carrying amount	84	340	424
As at 31/12/2012			
Gross carrying amount	2,622	5,361	7,983
Accumulated depreciation/amortisation and impairment charges	-2,562	-4,898	-7,460
Net carrying amount	60	463	523

	Licences Software	Other intangible assets	Total
for the period from 01/01 to 31/12/2013			
Net carrying amount as at 01/01/2013	60	463	523
Increase (acquisition, production, lease)	83		83
Decrease (disposal, liquidation) (-)		-8	-8
Other changes (reclassification, transfers, etc.)			
Revaluation to fair value (+/-)			
Depreciation and amortisation (-)	-58	-115	-174
Impairment loss (-)			
Reversal of impairment charges			
Net carrying amount as at 31/12/2013	84	340	424
for the period from 01/01 to 31/12/2012			
Net carrying amount as at 01/01/2012	94	216	311
Increase (acquisition, production, lease)	30	330	360
Decrease (disposal, liquidation) (-)		-12	-12
Other changes (reclassification, transfers, etc.)			
Revaluation to fair value (+/-)			
Depreciation and amortisation (-)	-65	-70	-135
Impairment loss (-)			
Reversal of impairment charges			
Net carrying amount as at 31/12/2012	60	463	523

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

5. Tangible fixed assets

	Plants and machinery	Vehicles	Other fixed assets	Tangible fixed assets in production	Total
As at 31/12/2013					
Gross carrying amount	3,003	1,406	6,157	9	9,957
Accumulated depreciation/amortisation and impairment charges	-2,266	-750	-4,766		-7,781
Net carrying amount	737	657	1,392	9	2,794
As at 31/12/2012					
Gross carrying amount	2,483	1,454	5,733	25	9,694
Accumulated depreciation/amortisation and impairment charges	-2,098	-625	-4,603		-7,326
Net carrying amount	385	828	1,130	25	2,368

	Plants and machinery	Vehicles	Other fixed assets	Tangible fixed assets in production	Total
for the period from 01/01 to 31/12/2013					
Net carrying amount as at 01/01/2013	385	828	1,130	25	2,368
Increase (acquisition, production, lease)	630	134	693	602	2,059
Decrease (disposal, liquidation) (-)	-5	-33	-53		-91
Other changes (reclassification, transfers, etc.)				-619	-619
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-273	-272	-379		-924
Impairment loss (-)					
Reversal of impairment charges					
Net carrying amount as at 31/12/2013	737	657	1,392	9	2,794
for the period from 01/01 to 31/12/2012					
Net carrying amount as at 01/01/2012	279	892	1,626		2,797
Increase (acquisition, production, lease)	272	256	111	25	663
Decrease (disposal, liquidation) (-)	-16	-40	-134		-190
Other changes (reclassification, transfers, etc.)					
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-150	-280	-473		-903
Impairment loss (-)					
Reversal of impairment charges					
Net carrying amount as at 31/12/2012	385	828	1,130	25	2,368

6. Leased assets

6.1. Operating Lease

The Company uses tangible fixed assets as a lessee on the basis of operating lease agreements. The operating lease agreements concern commercial premises in which the Company conducts its business.

The value of minimum future operating lease payments is the following:

	31/12/2013	31/12/2012
<i>Future minimum lease payments under irrevocable operating lease agreements</i>		
Payable within 1 year	8,059	7,458
Payable within the period from 1 year to 5 years	23,486	19,264
Total	31,545	26,722

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

7. Financial Assets and Liabilities

7.1. Categories of financial assets and liabilities.

The value of financial assets presented in the balance sheet relates to the following categories of financial instruments determined in IAS 39:

1 – loans and receivables (L&R)	5 - available-for-sale financial assets (AFS)
2 - financial assets carried at fair value through profit or loss - held for trading (FVA-T)	6 - hedging derivatives (HD)
3 - financial assets carried at fair value through profit or loss - allocated to measurement at fair value at initial recognition (FVA-M)	7 - assets outside the scope of IAS 39 (Non IAS 39)
4 - held-to maturity investments (HMI)	

	Note	*Categories of financial instruments as per IAS 39						Total
		L&R	FV-T	FV-M	HMI	AFS	HD	
As at 31/12/2013								
<i>Fixed assets:</i>								
Receivables and loans	7.2	348						348
Other long-term financial assets	2						25,636	25,636
<i>Current assets:</i>								
Trade receivables and other receivables	10	25,655						25,655
Loans	7.2	6,582						6,582
Cash and cash equivalents	11	226						226
Total financial assets		32,812					25,636	58,448
As at 31/12/2012								
<i>Fixed assets:</i>								
Receivables and loans	7.2	351						351
Other long-term financial assets	2						25,636	25,636
<i>Current assets:</i>								
Trade receivables and other receivables	10	26,720						26,720
Loans	7.2	7,482						7,482
Cash and cash equivalents	11	6,068						6,068
Total financial assets		40,621					25,636	66,257

The value of financial liabilities presented in the balance sheet relates to the following categories of financial instruments determined in IAS 39:

1 - financial liabilities carried at fair value through profit or loss - held for trading (FVL-T)	4 - hedging derivatives (HD)
2 - financial liabilities carried at fair value through profit or loss - allocated to measurement at fair value at initial recognition (FVL-M)	5 - liabilities outside the scope of IAS 39 (Non IAS 39)
3 - financial liabilities measured at amortised cost (ACL)	

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	Note	*Categories of financial instruments as per IAS 39					Total
		FVL-T	FVL-M	ACL	HD	Non IAS 39	
As at 31/12/2013							
<i>Long-term liabilities:</i>							
Loans, credits, other debt instruments	7.3.						
Other liabilities							
<i>Short-term liabilities:</i>							
Trade liabilities and other liabilities	16			24,211			24,211
Loans, credits, other debt instruments	7.3			1,653			1,653
Total financial liabilities				25,864			25,864
As at 31/12/2012							
<i>Long-term liabilities:</i>							
Loans, credits, other debt instruments	7.3			713			713
Other liabilities							
<i>Short-term liabilities:</i>							
Trade liabilities and other liabilities	16			28,320			28,320
Loans, credits, other debt instruments	7.3			1,711			1,711
Total financial liabilities				30,744			30,744

7.2. Receivables and loans

For the purposes of presentation, in its balance sheet the Company separated the class of receivables and loans (IFRS 7.6). In the long-term part, the receivables and loans are presented in the balance sheet in a single heading. In the short-term part, the Company - in compliance with the requirements of IAS 1 - presents the trade receivables and other receivables separately. The balance sheet items concerning the class of receivables and loans are presented in the table below. Disclosures concerning the receivables are made in Note No. 10.

	31/12/2013	31/12/2012
<i>Fixed assets:</i>		
Receivables	348	351
Loans		
Long-term receivables and loans	348	351
<i>Current assets:</i>		
Trade receivables and other receivables	25,655	26,720
Loans	6,582	7,482
Short-term receivables and loans	32,237	34,202
Receivables and loans, including:	32,237	34,553
Receivables (Note No. 10)	25,655	27,071
Loans (Note No. 7.2)	6,582	7,482

Loans granted are measured at amortised cost using the effective interest method. The carrying amount of loans is deemed a reasonable approximation of the fair value. (cf. Note No. 7.5. concerning the fair value).

As at 31/12/2013, the PLN loans in the carrying amount of kPLN 6,582 (2012: kPLN 7,482 PLN) had variable interest rates determined on the basis of 1M WIBOR plus a margin of 3.50 p.p. The loans mature in 2014. The interest rate changes with each first day of a calendar month of the contract validity pro rata to the reference rate calculated and rounded up/down to the second digit on the basis of the arithmetical average of 1M WIBOR for deposits over the last 10 working days of the previous calendar month.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

The change in the carrying amount of loans, including impairment charges, is as follows:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Gross value		
As at period beginning	7,482	9,782
Amount of loans granted in the period	11,230	3,500
Interest calculated using the effective interest rate method	525	721
Repayment of loans with interest (-)	-12,655	-6,521
Gross value at period end	6,582	7,482
Impairment loss		
As at period beginning		
Loss expensed as cost in the period		
Reversal of impairments carried as revenue in the period (-)		
Provisions used (-)		
Other changes (net exchange differences on conversion)		
Impairment loss at period end		
Carrying amount at period end	6,582	7,482

7.3. Loans, credits, other debt instruments

The value of loans, credits and other debt instruments recognised in the financial statements is presented in the table below:

	Short-term liabilities		Long-term liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Financial Liabilities carried at amortised cost				
Loan facilities	713	1,711		713
Overdraft facilities	940			
Loans				
Debt securities				
Financial Liabilities carried at amortised cost	1,653	1,711		713
Loans, credits, other debt instruments, total	1,653	1,711		713

Financial liabilities measured at amortised cost

The Company does not include any instruments from the loan and credit class to financial liabilities carried at fair value through profit or loss. All loans, credits and other debt instruments are measured at amortised cost using the effective interest method. The fair value of loans, credits and other debt instruments is presented in Note No. 7.5.

Information concerning the character and scope of risk the Company is exposed to in relation with the loans, credits and other debt instruments contracted is presented in the table below (cf. also Note No. 25 concerning risks):

	Currency	Interest rate	Maturity date	Value		Liability	
				in foreign currency	in PLN	short-term	long-term
As at 31/12/2013							
Overdraft facilities with Alior Bank S.A.	PLN	variable	31/05/2014		2,000		
Overdraft facilities with DnB Bank Polska S.A.	PLN	variable	30/05/2014		5,000	941	
Credit facilities in the credit account with Alior Bank S.A.	PLN	variable	30/05/2014		8,000	713	
						1,653	
As at 31/12/2012							
Overdraft facilities with Alior Bank S.A.	PLN	variable	04/04/2013		2,000		
Overdraft facilities with DnB Bank Polska S.A.	PLN	variable	30/05/2013		5,000		
Credit facilities in the credit account with Alior Bank S.A.	PLN	variable	30/05/2014		8,000	1,711	713
						1,711	713

The loans have variable interest rates based on the reference rate of 1M WIBOR., which as at 30/12/2013 amounted to 2.61% (28/12/2012: 4.22%).

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

7.4. Liability payment guarantee

The loan liabilities of the Company are covered by the following collaterals (as at the balance sheet day):

- pledge on shares in subsidiaries up to the amount of kPLN 43,025 (2012: kPLN 42,025),
- registered pledge on inventories and inventory repossession contracts up to the amount of kPLN 23,400 (2012: kPLN 23,400),
- assignment of rights under insurance policies,.
- statement on enforcement,
- power of attorney to dispose of the current and future inflows to the bank account.

As at 31/12/2013, the following assets of the Company (in their carrying amounts) constituted collaterals and guarantees for the repayment of liabilities:

	31/12/2013	31/12/2012
Intangible fixed assets		
Tangible fixed assets, including leased assets		
Financial assets (other than receivables) - shares	13,781	13,781
Inventories	8,825	10,159
Trade receivables and other		
Cash		
Total carrying amount of assets constituting a liability collateral	22,606	23,940

7.5. Other information on financial instruments

7.5.1. Information on the fair value of financial instruments

The comparison of the carrying amount of financial assets and liabilities with their fair value is as follows:

Class of financial instrument	Note No.	31/12/2013		31/12/2012	
		Fair value	Carrying amount	Fair value	Carrying amount
<i>Assets:</i>					
Loans	7.2	6,582	6,582	7,482	7,482
Trade receivables and other	10	25,655	25,655	26,673	26,673
Non-listed shares*					
Cash and cash equivalents	11	226	226	6,068	6,068
<i>Liabilities:</i>					
Loan facilities	7.3	713	713	2,423	2,423
Overdraft facilities	7.3	941	941		
Loans	7.3				
Debt securities	7.3				
Trade liabilities and other	16	24,211	24,211	28,320	28,320

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

The Company resigned from the determination of fair value of shares of non-listed companies in relation with the fact that it is difficult to measure such fair value in a reliable way.

The fair value is defined as an amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. In case of financial instruments, for which there is an active market, their fair value is determined on the basis of parameters from such an active market (selling and buying prices). In case of financial instruments for which there is no active market, the fair value is determined on the basis of valuation techniques, whereby the model's input data use, in the maximum extent possible, variables from active markets (exchange rates, interest rates, etc.).

The Company did not measure the fair value of trade receivables and liabilities - their carrying amount has been deemed by the Company to be the reasonable approximation of the fair value.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

8. Deferred tax assets and liabilities

The deferred tax assets and liabilities have the following influence on the financial statements:

	Note	31/12/2013	31/12/2012
<i>As at period beginning:</i>			
Deferred income tax assets		462	468
Deferred income tax liabilities		4,047	3,917
Deferred tax at period beginning		-3,585	-3,449
<i>Change in the period influencing:</i>			
Statement of profit or loss (+/-)	20	75	-135
Other comprehensive income (+/-)			
Deferred tax at period end, including:		-3,509	-3,585
Deferred income tax assets		537	462
Deferred income tax liabilities		4,047	4,047

Deferred income tax assets

Temporary differences	As at period beginning	Change:		At period end
		statement of profit or loss	other comprehensive income	
As at 31/12/2013				
<i>Assets:</i>				
Inventories	95	60		156
Trade receivables				
<i>Liabilities:</i>				
Employee benefits liabilities	224	-17		208
Provisions for employee benefits	108	29		137
Other liabilities	35	2		37
Total	462	75		537
As at 31/12/2012				
<i>Assets:</i>				
Inventories	92	3		95
Trade receivables	143	-143		
<i>Liabilities:</i>				
Employee benefits liabilities	97	127		224
Provisions for employee benefits	92	16		108
Other liabilities	44	-9		35
Total	468	-5		462

Deferred income tax liabilities

Temporary differences	As at period beginning	Change:		At period end
		statement of profit or loss	other comprehensive income	
As at 31/12/2013				
<i>Assets:</i>				
Intangible fixed assets	4,047			4,047
Total	4,047			4,047
As at 31/12/2012				
<i>Assets:</i>				
Intangible fixed assets	3,917	130		4,047
Tangible fixed assets				
Other assets				
Total	3,917	130		4,047

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

9. Inventories

The financial statements of the Company comprise the following inventories:

	31/12/2013	31/12/2012
Materials		
Semi-products and work in progress		
Finished goods		
Goods	7,562	7,516
Total carrying amount of the inventories	7,562	7,516

In 2013, the Company recognised in the operating activities of the income statement the costs of inventories sold in the total amount of kPLN 19,024 (2012: kPLN 18,452),

The inventories Impairment charges made in 2013 in other operating costs of the income statement amounted to kPLN 318 (2012: kPLN 15),

As at 31/12/2013, the inventories in the carrying amount of kPLN 8,825 (2012: kPLN 10,159) constituted collaterals for the Company 's liabilities. Information about the collaterals for liabilities is presented in Note No. 7.4.

10. Trade Receivables and Other Receivables

The trade receivables and other receivables recognised by the Company as part of the class of receivables and loans(cf. Note No. 7.2) are as follows:

Long-term receivables:

	31/12/2013	31/12/2012
Retained amounts (deposits) under building services contracts		
Deposits received under other titles	348	351
Other receivables		
Impairment of receivables (-)		
Long-term receivables	348	351

Short-term receivables:

	31/12/2013	31/12/2012
<i>Financial assets (IAS 39):</i>		
Trade receivables	29,076	29,752
Impairment of trade receivables (-)	-3,618	-3,079
Net trade receivables	25,458	26,673
Receivables from the sale of fixed assets		
Retained amounts (deposits) under building services contracts		
Deposits received under other titles		
Other receivables	486	334
Impairment of other financial receivables (-)	-289	-287
Net other financial receivables	197	47
Financial receivables	25,655	26,720
<i>Non-financial assets (outside IAS 39):</i>		
Other tax and other benefit receivables		
Income tax receivables		
Advances and prepayments		
Other non-financial receivables		
Impairment of non-financial receivables (-)		
Non-financial receivables		
Total short-term receivables	25,655	26,720

The carrying amount of trade receivables is recognised by the Company as the reasonable approximation of their fair value (cf. Note No. 7.5).

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

The Company tested the receivables for impairment in accordance with its accounting principles (cf. item c) in the item "Drawing up basis and accounting rules"). The receivables impairment charges, which in 2013 were made in other operating costs of the income statement amounted to:

- with regard to short-term financial receivables kPLN - 541 (2012: kPLN 564),

Changes in the impaired receivables in the period covered by these financial statements are presented in the table below:

The financial receivables impairment charges (i.e. trade receivables and other financial receivables):

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
As at period beginning	3,366	2,802
Loss expensed as cost in the period	539	564
Reversal of impairments carried as revenue in the period (-)		
Provisions used (-)		
At period end	3,907	3,366

11. Cash and cash equivalents

	31/12/2013	31/12/2012
Cash at bank in PLN	101	5,856
Cash at bank in foreign currency		
Cash in hand	125	212
Short-term deposits		
Other		
Total cash and cash equivalents	226	6,068

For the purposes of this cash flow statement, the Company classifies cash in the manner as applied for the balance sheet presentation.

12. Non-current assets held for sale and discontinued operation

There are no non-current assets held for sale and discontinued operations.

13. Shareholder's equity

13.1. Share capital

As at 31/12/2013, the share capital of the Company amounted to kPLN 1,022 (2012: kPLN 1,136) and was divided into 5,110,847 shares (2012: 5,678,030) of the nominal value of PLN 0.20 each. All shares have been fully paid up.

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.

The change in the number of shares in the period covered by the financial statements results from the following transactions with the shareholders:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Shares issued and fully paid up for:		
Number of shares at the period beginning	5,678,030	6,309,623
Issue of shares in relation with the option exercise (share-based payment programme)		
Issue of shares		
Redemption of shares (-)	-567,183	-631,593
Number of shares at the period end	5,110,847	5,678,030

As at the balance sheet date, no shares in the Company were held by the Parent Company itself or any of its subsidiary or associated companies.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

13.2. Equity

	31/12/2013	31/12/2012
Share capital	1,022	1,136
Share premium	24,863	24,863
Other Capitals	1,459	9,286
Retained profits	28,025	23,334
At period end	55,369	58,619

By virtue of Resolution No. 3/2012 of the Ordinary General Meeting of Shareholders of Tell S.A. 29 October 2012, the Company's Management Board was authorised 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 authorization to purchase the shares was granted until 31 March 2013.

In the period from the adoption of the resolution on the purchase of treasury shares for redemption until 31 March 2013, the Company purchased 567.183 treasury shares at the price of PLN 14 per share.

The share redemption was effected upon the registration by the court of law of an amendment to the Articles of Association related to the share capital decrease, as appropriate, on 04 July 2013.

14. Employee benefits

14.1. Costs of Employee Benefits

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Payroll costs	14,760	14,560
Social insurance	2,724	2,611
Costs of future befits (provisions for retirement benefits)	810	773
Total costs of employee benefits	18,293	17,944

14.2. Employee benefit liabilities

The employee benefit liabilities recognised in the balance sheet comprise:

	Short-term liabilities and provisions		Long-term liabilities and provisions	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<i>Short-term employee benefits:</i>				
Payroll liabilities	1,543	1,583		
Social insurance liabilities	739	789		
Provisions for accrued holidays	679	529		
Short-term employee benefits	2,962	2,901		
<i>Other long-term employee benefits:</i>				
Provisions for jubilee bonuses				
Provisions for retirement benefits			40	40
Other provisions				
Other long-term employee benefits				
Total employee benefit liabilities and provisions	2,962	2,901	40	40

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

The following items influenced changes in long-term employee benefits:

	Provisions for other long-term employee benefits			
	jubilee bonuses	retirement benefits	other	total
for the period from 01/01 to 31/12/2013				
As at period beginning		40		40
<i>Changes recognised in the statement of profit or loss:</i>				
Current and past service costs				
Interest expense				
Actuarial profits (-) or losses (+)				
<i>Changes without impact on the statement of profit or loss:</i>				
Benefits paid out (-)				
Present value of provisions as at 31/12/2013		40		40
for the period from 01/01 to 31/12/2012				
As at period beginning		40		40
<i>Changes recognised in the statement of profit or loss:</i>				
Current and past service costs				
Interest expense				
Actuarial profits (-) or losses (+)				
<i>Changes without impact on the statement of profit or loss:</i>				
Benefits paid out (-)				
Present value of provisions as at 31/12/2012		40		40

15. Other provisions

The value of provisions recognised in the financial statements and changes thereto in particular periods have been as follows:

	Short-term provisions		Long-term provisions	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Provision for cases in court				
Provisions for loss on building services contracts				
Provision for restructuring costs				
Other provisions		16		
Total other provisions	0	16		

	Provisions for:				
	litigations in Court	loss on building services contracts	restructuring costs	other	total
for the period from 01/01 to 31/12/2013					
As at period beginning				16	16
Provision increase carried as expense in the period					
Provision increase carried as income in the period (-)				-16	-16
Utilisation of provisions (-)					
Provisions as at 31/12/2013				0	0
for the period from 01/01 to 31/12/2012					
As at period beginning				28	28
Provision increase carried as expense in the period				16	16
Provision increase carried as income in the period (-)				-28	-28
Utilisation of provisions (-)					
Provisions as at 31/12/2012				16	16

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

16. Trade liabilities and other liabilities

The trade liabilities and other liabilities (cf. also Note No. 7) are as follows:

Short-term liabilities:

	31/12/2013	31/12/2012
<i>Financial liabilities (IAS 39):</i>		
Trade liabilities	24,211	28,320
Liabilities under the purchase of fixed assets		
Other financial liabilities		
Financial Liabilities	24,211	28,320
<i>Non-financial liabilities (outside IAS 39):</i>		
Other tax and other benefit liabilities	1,469	1,326
Income tax liabilities	1,570	1,232
Advances and prepayments received for deliveries		
Liabilities under building services contracts		
Advances received for building services		
Other non-financial liabilities	94	43
Non-financial liabilities	3,133	2,601
Total short-term liabilities	27,343	30,921

The carrying amount of trade liabilities is recognised by the Company as the reasonable approximation of their fair value (cf. Note No. 7.5).

17. Prepayments and accruals

	Short-term accruals and prepayments		Long-term accruals and prepayments	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Assets - accruals and prepayments:				
Lease rents	129	129	129	235
Other prepaid expenses	93	177		
Assets - total accruals and prepayments:	222	306	129	235

18. Operating revenue and costs

18.1. Revenue from the sale of goods and services

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Revenue from the sale of telecommunications services		61,904	60,001
Sets and pre-paid refills		11,014	13,266
Postpaid contract phones		6,191	5,676
Other revenue from the sale of goods and services		6,580	6,615
Total revenue from the sale of goods and services		85,690	85,558

18.2. Costs per type

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Amortisation and depreciation	4.5	1,098	1,038
Employee benefits	14	18,115	17,171
Consumption of materials and energy		1,440	1,471
Contracted services		34,869	38,388
Taxes and fees		75	42
Other costs by type		957	1,855
Total costs per type		56,553	59,966
Value of goods and materials sold		18,166	18,452
Change in products and work in progress (+/-)		-190	16
Cost of own work capitalised (-)			
Own cost of the sale, selling costs and administration costs		56,743	59,949

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

18.3. Other operating income

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Profit from the sale of non-financial fixed assets			
Measurement of investment properties at fair value			
Reversal of impairment of tangible fixed assets and intangible fixed assets			
Reversal of impairment of financial receivables			
Reversal of impairment of non-financial receivables			
Reversal of impairment of inventories			
Write-back of unused provisions			
Penalties and indemnities received			
Subsidies received			
Other revenue		135	222
Total other operating revenue		135	222

18.4. Other operating expense

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Loss on the sale of non-financial fixed assets		36	105
Measurement of investment properties at fair value			
Goodwill impairment			
Impairment of tangible fixed assets and intangible fixed assets			
Impairment of financial receivables	10	541	564
Impairment of non-financial receivables			
Impairment of inventories	9	318	15
Reversal of impairment of inventories (-)			
Set-up of provisions	14.15	835	789
Penalties and indemnities paid			
Other costs		304	61
Total other operating costs		2,034	1,534

19. Financial income and expenses

19.1. Financial income

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Income from the interest on financial instruments not carried at fair value through profit or loss:			
Cash and cash equivalents (deposits)	11	32	304
Loans and receivables	7.2, 10	692	721
Held-to-maturity debt securities			
Income from the interest on financial instruments not carried at fair value through profit or loss		725	1,025
Gains on revaluation and realization of financial instruments carried at fair value through profit or loss:			
Trading derivatives			
Hedging derivatives			
Listed shares			
Debt securities			
Investment fund units			
Gains on revaluation and realization of financial instruments carried at fair value through profit or loss			
Exchange difference gains (losses) (+/-):			
Cash and cash equivalents			
Loans and receivables			
Financial liabilities measured at amortised cost			

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Exchange difference gains (losses) (+/-)			
Gains on available-for-sale assets transferred from equity			
Dividends		2,508	5,059
Reversal of impairment of receivables and loans			
Reversal of impairment of investments held to maturity			
Interest on impaired financial assets			
Other financial income		2	164
Total financial income		3,235	6,250

19.2. Financial costs

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Interest costs concerning financial instruments not carried at fair value through profit or loss:			
Financial lease liabilities			
Credit facilities in the credit account and overdraft facilities	7.3	208	312
Loans			
Debt securities			
Trade liabilities and other liabilities			
Interest costs concerning financial instrument not carried at fair value through profit or loss		208	312
Losses on revaluation and realization of financial instruments carried at fair value through profit or loss:			
Trading derivatives			
Hedging derivatives			
Listed shares			
Debt securities			
Investment fund units			
Losses on revaluation and realization of financial instruments carried at fair value through profit or loss			
Exchange difference (gains) losses (-/+):			
Cash and cash equivalents			
Loans and receivables			
Financial liabilities measured at amortised cost			
Exchange difference (gains) losses (-/+)			
Losses on available-for-sale assets transferred from equity			
Impairment of receivables and loans			
Impairment of held-to-maturity investments			
Impairment of available-for-sale financial assets			
Other financial costs		173	189
Total financial costs		381	501

Impairment of receivables concerning the operating activity recognised by the Company as other operating expenses (cf. Note No. 18).

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

20. Income Tax

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Current tax:			
Settlement of tax for the reporting period		2,008	1,496
Adjustment of tax for previous periods			
Current tax		2,008	1,496
Deferred income tax:			
Temporary difference occurrence and reversal	8	-75	135
Settlement of unrealised tax losses	8		
Deferred income tax		-75	135
Total income tax		1,933	1,631

Reconciliation of the income tax calculated in accordance with the 19 % rate on the result before tax as disclosed in the income statement is as follows:

	Note	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Pre-tax result		11,735	11,594
Tax rate applied by the Company		19%	19%
Income tax as per the domestic tax rate in the country of the Company		2,008	1,496
Reconciliation of the income tax due to:			
Non-taxable revenues (-)		-2,509	-5,064
Permanently non-tax deductible costs (+)		414	1,268
Utilisation of previously non-recognised tax losses (-)		-1,195	
Unrecognised deferred tax asset concerning deductible temporary differences (+)		2,131	
Unrecognised deferred tax asset concerning tax losses (+)			
Adjustment of tax for previous periods (+/-)			75
Income Tax		2,008	1,496
Average tax rate applied		17.00%	12.90%

21. Earnings per share and dividends paid

21.1. Earnings per share

The earnings per share are 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.

In order to calculate both the basic and the diluted earnings (losses) per share, the Company uses in the numerator the net profit (loss) attributable to the shareholders of the company, i.e. there is no diluting effect that would influence the amount of profit (loss).

The calculation of the basic and diluted earnings (losses) per share together with the reconciliation of the average weighted diluted number of shares is presented below.

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Number of shares inserted in the denominator of the formula		
Average weighted number of ordinary shares (items)	5,396,769	6,242,322
Dilution effect of options convertible into shares		
Average weighted diluted number of ordinary shares (items)	5,396,769	6,242,322
Continued activities		
Net profit on continued activities in PLN	9,801,796.85	9,963,311.17
Basic profit (loss) per share (PLN)	1.82	1.60
Diluted profit (loss) per share (PLN)	1.82	1.60

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

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 in PLN	9,801,796.85	9,963,311.17
Basic profit (loss) per share (PLN)	1.82	1.60
Diluted profit (loss) per share (PLN)	1.82	1.60

21.2. Dividends

The Company did not pay dividends for 2013. The General Meeting of Shareholders held on 27 September 2013 adopted resolution No. 3/2013 concerning the distribution of net profit for PLN 9,963,311.17 and decided to allocate the net profit to:

- the payment of dividend in an amount of PLN 1 per one share in the Company,
- the supplementary capital in an amount remaining after the payment of the dividend.

The dividend day was determined to be 07 October 2013, and the dividend payment date - 21 October 2013.

In total, the amount of PLN 5,110,847.00 was paid out as dividend and PLN 4,852,464.17 was allocated to the supplementary capital.

22. Cash flows

In order to determine the cash flow from operating activities, the following adjustments of the pre-tax profit (loss) were made:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Adjustments:		
Depreciation of tangible fixed assets	923	903
Amortisation of intangible fixed	174	135
Change in the fair value of investment properties		
Profit (loss) on financial assets (liabilities) carried 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	105
Profit (loss) on the sale of financial assets (other than derivatives)		
Exchange difference gains/losses		
Interest expense	381	500
Interest and dividend income	-3,235	-6,250
Cost of share-based payments (incentive programmes)		
Share in the profit (loss) of associate companies		
Other adjustments		
Total adjustments	1,721	-4,607
Change in inventories		
Change in receivables		
Change in liabilities	-339	-1,059
Change in provisions and prepayments		
Change in building contracts		
Changes in working capital	1,382	-5,666

For the purposes of this cash flow statement, the Company classifies cash in the manner as applied for the balance sheet presentation (cf. Note No. 11).

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

23. Transactions with related parties

Parties related to the Company comprise the key management personnel and subsidiaries.

Unsettled balances of receivables and liabilities are usually settled in cash.

Information on contingent liabilities concerning related parties is presented in Note No. 24.

23.1. Transactions with key management personnel

The Company includes the members of its Management Board to the category of key management personnel. The remuneration of key personnel in the period covered by the financial statements amounted to:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Benefits for the management personnel		
Short-term employee benefits	1,568	1,428
Work termination benefits		
Share-based payments		
Other benefits		
Total benefits	1,568	1,428

Detailed information about the remuneration of the Management Board of the Company is presented in Note No. 28.

The Company did not grant any loans to the key management personnel in the period covered by these financial statements.

23.2. Transactions with subsidiary companies and other related parties

The list of investments in subsidiary companies not subject to consolidation as well as investments in associated companies, together with basic information about such companies are presented in Note No. 2.

In the period covered by these financial statements, the following revenue from the sales and receivables from subsidiaries and other parties were recognised:

	Revenue from operating activities	
	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Sales to:		
A subsidiary	625	550
An associate		
Other related parties		
Total	625	550

	Receivables	
	31/12/2013	31/12/2012
Sales to:		
A subsidiary	0	28
An associate		
Other related parties		
Total	0	28

There were no impairment charges on receivables from related parties, therefore no costs on this account were recognised in the statement of profit or loss.

In 2013, the Company granted to its subsidiaries loans in the amount of kPLN 11,230 (2012: kPLN 3,500), The balance of loans granted to these subsidiary companies as at 31/12/2013 amounted to kPLN 6,582 (31/12/2012: kPLN 7,482), The loans are short-term and shall be repaid by 30 June 2014.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

24. Contingent assets and liabilities

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

	31/12/2013	31/12/2012
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 subsidiary companies not subject to consolidation and other related 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 subsidiary companies excluded from consolidation and other related parties		
To other parties:		
Liability payment guarantee	30,105	29,425
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	30,105	29,425
Total contingent liabilities	30,105	29,425

25. Risk relating to the financial instruments

The Company is exposed to numerous risks related to the financial instruments. Risk to which the Company is exposed include:

- market risk, comprising the currency risk and the interest rate risk,
- credit risk and
- liquidity risk.

The financial risk management is coordinated by the Company. In the risk management process, the following objectives are of the highest importance:

- hedging of short-term and mid-term cash flows,
- stabilisation of the Company's financial result fluctuations,
- performance of the financial forecasts assumed by the fulfilment of budgetary assumptions,
- achievement of the rate of return on long-term investments and obtaining optimal sources of finance for the investing activities.

The Company does not contract transactions at financial markets for speculative purposes. From the economic side, the transactions effected are to hedge against defined risks.

Below are presented the most important risk the Company is exposed to.

25.1. Market risk

Currency risk sensitivity analysis

All Company's transactions are effected in PLN. The Company does not use forward contracts not currency options. There are no financial assets or liabilities in the Company as at the end of the reporting period.

Interest rate risk sensitivity analysis

The interest rate risk management concentrates on minimising the interest flow fluctuations in variable interest rate financial assets and liabilities. The Company is exposed to the interest rate risk in relation with the following categories of financial assets and liabilities:

- advances,
- loans.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

The characteristics of the above instruments, including the variable and fixed interest rates, is presented in Notes No. 7.2 and 7.3.

Below is presented the sensitivity analysis of the financial result and other comprehensive income with regard to the potential fluctuations of the interest rate up and down by 1%. The calculation was made on the basis of a shift in the average interest rate in the period by (+/-) 1% and with reference to those financial assets and liabilities that are sensitive to interest rate changes, i.e. those with a variable interest rate.

	Rate fluctuations	Impact on the financial result:		Impact on other comprehensive income:	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
Interest rate rise	1%	38	24	38	24
Interest rate fall	-1%	-38	-24	-38	-24

25.2. Credit risk

The Company's maximum exposure to credit risk is defined by the carrying amount of the following financial assets:

	Note	31/12/2013	31/12/2012
Loans	7.2	6,582	7,482
Trade receivables and other financial receivables	10	26,003	27,071
Remaining classes of other financial assets			
Cash and cash equivalents	11	226	6,068
Contingent liabilities under collaterals and sureties granted.	24	30,105	29,425
Total exposure to credit risk		62,916	70,046

The Company monitors on an on-going basis the client's past due amounts as well as creditor's payments, analysing the credit risk on an individual basis and within particular classes of assets as defined by particular credit risk types (e.g. resulting from the business segment, region or structure of clients). Additionally, as part of the credit risk management, the Company enters into transactions with contractor of confirmed reliability.

In the assessment of the Company's Management Board, the above financial assets which are not past due nor impaired as at the particular balance sheet days should be deemed good credit quality assets. Therefore, the Company did not establish any securities or any additional elements improving the crediting conditions.

With regard to trade receivables, the Company is not exposed to credit risk in relation with a single significant contractor or contractors of similar properties. Based in historical past due tendencies, the not impaired past due receivables do not display any considerable quality deterioration - most of them are within the period of one month and there are no concerns as to their collection.

The credit risk concerning cash and cash equivalents, market securities and derivatives is considered insignificant due to the high reliability of entities being parties to the transactions, i.e. mainly banks.

The impairment charges concerning the financial assets exposed to credit risk are described in detail in Notes No. 7.2 and 10.

25.3. Liquidity risk

The Company is exposed to the liquidity risk, i.e. the loss of capacity to settle its financial obligations on time. The Company manages the liquidity risk by monitoring the payment terms and the demand for cash related to short-term payment servicing (current transactions monitored on a weekly basis) and the long-term demand for cash based on the cash flow forecasts updated on a monthly basis. The demand for cash is compared to the available sources of financing (including in particular by the assessment of capacity to obtain financing in the form of loans) and is confronted with investments of freely available funds.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

As at the balance sheet date, the Company's financial liabilities other than derivatives were within the following maturity ranges:

	Note	Short-term:		Long-term:			Flows before discounting
		up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	above 5 years	
As at 31/12/2013							
Loan facilities	7.3	713					713
Overdraft facilities		941					941
Loans							
Trade liabilities and other financial liabilities	16	24,211					24,211
Exposure to liquidity risk total		25,864					25,864
As at 31/12/2012							
Loans	7.3	855	855	713			2,424
Overdraft facilities	7.3						
Loans							
Trade liabilities and other financial liabilities	16	28,320					28,320
Exposure to liquidity risk total		29,175	855	713			30,744

As at particular balance sheet days, the Company also had free overdraft facilities in the following amounts:

	31/12/2013	31/12/2012
Overdraft facilities granted	7,000	7,000
Overdraft facilities used	941	
Overdraft facilities available	6,059	7,000

26. Capital Management

The Company manages the equity in order to ensure the Company's going concern and to ensure the rate of return as expected by shareholders and other entities interested in the financial standing of the Company.

The Company monitors the capital level on the basis of carrying amount of equity as increased by subordinated loans from the shareholder. On the basis of such defined capital amount, the Company calculates the equity to total sources of finance ratio. The Company assumes the maintenance of this ratio at the level not lower than 0.5.

Additionally, in order to monitor the debt service capacity, the Company calculates the ratio of debt (i.e. lease liabilities, loans, credits and other debt instruments) to EBITDA (earnings before interest, taxes, depreciation and amortisation). The Company assumes the maintenance of this debt to EBITDA ratio at the level not lower than 3.0.

The Company is not subject to any external capital requirements.

In the period covered by the financial statements, the above-mentioned ratios were at the following levels:

	31/12/2013	31/12/2012
<i>Capital:</i>		
Shareholder's equity	55,369	58,619
Subordinated loans received from the shareholder		
Capital from the valuation of flow hedging instruments (-)		
Share	55,369	58,619
<i>Total sources of finance:</i>		
Shareholder's equity	55,369	58,619
Loans, credits, other debt instruments	1,653	2,423
Financial lease		
Total sources of finance	57,023	61,042
Total capital to sources of finance ratio	0.97	0.96
<i>EBITDA</i>		
Operating profit (loss)	8,881	5,845
Amortisation and depreciation	1,098	1,038

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

	31/12/2013	31/12/2012
EBITDA	9,978	6,883
<i>Debt:</i>		
Loans, credits, other debt instruments	1,653	2,423
Financial lease		
Debt	1,653	2,424
Debt to EBITDA ratio	0.17	0.35

In all the periods, the ratios and indicators were at the levels as assumed by the Company.

27. Events after the Balance Sheet Date

After 31/12/2013, there were no events that required disclosure in the financial statements for 2013.

28. Other information

28.1. Selected financial data converted into EUR

In the periods covered by these 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: 31/12/2013 4.1472 PLN/EUR, 31/12/2012 4.0882 PLN/EUR,
- the average exchange rate in the period, calculated as an arithmetical average of exchange rate in force on the last day of each month in the given period: 01/01-31/12/2013 4.2110 PLN/EUR, 01/01-31/12/2012 4.1744 PLN/EUR.

The highest and the lowest exchange rate in force in each period were as follows: 01/01-31/12/2013 4.3292/4.1419 PLN/EUR, 01/01-31/12/2012 4.3889/4.0882 PLN/EUR.

The basic financial statements, statements of profit or loss and cash flow statements as converted into EUR are presented in the table::

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
	in k PLN		in k EUR	
Statement of profit or loss				
Sale revenues	85,690	85,558	20,349	20,496
Operating profit (loss)	8,881	5,845	2,109	1,400
Profit (loss) before taxation	11,735	11,594	2,787	2,777
Net profit (loss)	9,802	9,963	2,328	2,387
Net profit (loss) - share of the shareholders of the Parent Company	9,802	9,963	2,328	2,387
Number of shares (items)	5,110,847	5,678,030	5,110,847	5,678,030
Earnings per share (PLN)	1.82	1.60	0.43	0.38
Diluted earnings per share (PLN)	1.82	1.60	0.43	0.38
Average exchange rate PLN / EUR in the period	X	X	4.2110	4.1744
Sash flow statement				
Net cash flow from operating activity	5,686	2,887	1,350	692
Net cash flow from investment activity	2,674	7,624	635	1,826
Net cash flow from financial activity	-14,203	-11,198	-3,373	-2,683
Change in cash and cash equivalents	-5,842	-687	-1,387	-165
Average exchange rate PLN / EUR in the period	X	X	4.2110	4.1744

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

Financial statements	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	in k PLN		in k EUR	
Assets	91,415	98,967	22,043	24,208
Long-term liabilities	4,087	4,800	985	1,174
Short-term liabilities	31,959	35,548	7,706	8,695
Shareholder's equity	55,369	58,619	13,351	14,339
Total equity -share of the parent company shareholders	55,369	58,619	13,351	14,339
PLN / EUR exchange rate at period end	X	X	4.1472	4.0882

28.2. The ownership structure of the share capital - shareholders holding more than 5% of votes at the General Meeting of Shareholders.

	Number of shares	Number of votes	Par Value of Shares	% of votes
As at 31/12/2013				
Neo Fund 1 Sp. z o.o.*	1,157,970	2,315,940	231,594	35.67%
V Group S.A.	529,093	529,093	105,819	8.15%
Waldemar Ziomek	453,648	613,256	90,730	9.45%
AVIVA Investors FIO**	657,572	657,672	131,534	10.13%
AVIVA Investors SFIO				
Quercus Parasolowy SFIO	877,179	877,179	175,436	13.51%
Quercus Absolute Return FIZ				
Total	3,675,562	4,993,140	735,112	76.91%
As at 31/12/2012				
BBI Capital NFI S.A.	1,286,632	2,573,264	257	35.68%
Havo Sp. z o.o.	675,000	675,000	135	9.36%
Rafał Stempniewicz	257,854	415,336	52	5.76%
AVIVA Investors FIO	657,672	657,672	132	9.12%
AVIVA Investors SFIO				
Quercus Parasolowy SFIO	893,461	893,461	179	12.39%
Quercus Absolute Return FIZ				
Total	3,765,393	5,209,507	753	72.30%

*Shares acquired directly by Neo Investment Spółka Akcyjna in consequence of the performance of the agreement on the purchase of 100% of shares in Family Fund 3 Sp. z o.o. (currently Neo Fund 1 sp. z o.o.)

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

28.3. Remuneration of the members of the Management Board of the Company

The total value of remuneration and other benefits received by members of the Management Board of the Company was as follows:

	In the Company:		In subsidiaries and associates:		Total
	Remuneration	Other benefits	Remuneration	Other benefits	
Period from 01/01 to 31/12/2013					
Rafał Stempniewicz	728				728
Stanisław Górski	331				331
Robert Krasowski	509				509
Total	1,568				1,568
Period from 01/01 to 31/12/2012					
Rafał Stempniewicz	661				661
Stanisław Górski	319				319
Robert Krasowski	447				447
Total	1,428				1,428

All other information concerning the key management personnel, including loans, is presented in Note No. 23.

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

28.4. Remuneration of the Members of the Supervisory Board of the Company

The total value of remuneration and other benefits received by members of the Supervisory Board of the Company was as follows:

	In the Company:		In subsidiaries and associates:		Total
	Remuneration	Other benefits	Remuneration	Other benefits	
Period from 01/01 to 31/12/2013					
Paweł Turno	29				29
Piotr Karmelita	24				24
Jerzy Motz	4				4
Robert Walicki	4				4
Tomasz Mazurczak	4				4
Mariola Więckowska	20				20
Adam Wojacki	19				19
Łukasz Kręski	16				16
Total	120				120
Period from 01/01 to 31/12/2012					
Paweł Turno	22				22
Piotr Karmelita	18				18
Mariola Więckowska	18				18
Adam Wojacki	18				18
Łukasz Kręski	18				18
Total	94				94

28.5. Remuneration of the entity authorised to audit financial statements

The auditor in charge of auditing and reviewing the financial statements of the Company is Grant Thornton Frąckowiak.

The auditor's remuneration as broken down into details amounted to:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Audit of annual financial statements	35	39
Review of financial statements	26	29
Tax advisory	30	78
Other services		
Total	91	146

28.6. Employment

The average employment in the Company as well as the employee rotation were as follows:

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
White collar	409	392
Blue collar	3	2
Total	412	394

	from 01/01 to 31/12/2013	from 01/01 to 31/12/2012
Number of employees hired	142	162
Number of employees dismissed (-)	-148	-173
Total	-6	-11

Name of the company:	Tell S.A.		
Period covered by the financial statements:	01/01/2013 – 31/12/2013	Reporting currency:	Polish zloty (PLN)
Rounding up/down level:	all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated		

29. Approval for publication

The financial statements made for the year ended on 31 December 2013 (including comparable data) have been approved for publication by the Company's Management Board on 17 March 2014.

Signatures of all Management Board Members

Date	Name and surname	Position	Signature
17 March 2014	Rafał Stempniewicz	President of the Management Board	
17 March 2014	Stanisław Górski	Member of the Management Board	
17 March 2014	Robert Krasowski	Member of the Management Board	

Signature of the person responsible for the preparation of the financial statements

Date	Name and surname	Position	Signature
17 March 2014	Jolanta Stachowiak	Chief Accountant	