GRUPA ADV

Condensed consolidated financial statements as at 30 September 2012 and for 9 months ended thereon, where the holding company is Grupa ADV S.A.

The financial statements has been prepared

in accordance with international financial reporting standards.

Gdynia, September 30, 2012

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I. Management commentary to the Group's results for the third quarter of 2012

INCOME 79.3 million PLN (increase by 37%)
NET PROFIT 2.7 million PLN (increase by 27%)
OPERATING EBITDA of PLN 6.1 million PLN (increase by 16%)
EARNINGS PER SHARE 0.39 PLN (an increase by 30%)

On a cumulative basis after three quarters of this year ADV Group generated revenues of 79.3 million PLN - about 37% higher compared to the same period in 2011, EBITDA for this period was 6.1 million PLN - 16% higher than in the same period last year. Net profit amounted to 2.7 mln PLN which is 27% increase compared to the first three quarters of last year.

The management believes that the results after third quarter show that the chosen strategy to shift focus towards IT products and services is justified. The segment of innovative technologies generates better growth, and most importantly, its profitability is two times better than in the department of digital communication.

After three quarters of this year SMT Software had the largest share of Group's net result. The company generated more than 2.8 million PLN net profit and 32 million PLN revenue. Very good results were shown also by Codemedia company. After nine months this year with revenues of 35 million PLN Codemedia earned 2.5 million PLN.

Both SMT Software SA and Codemedia SA are subsidiaries of the Group registering the highest revenue growth and EBITDA of all the entities in the holding. At present ADV Group controls only 52% of shares in SMT and less than 75% in Codemedia. In the third quarter of this year management of the Group has decided to increase the level of engagement and at the forthcoming Extraordinary General Meeting held on 26.11.2012. an increase of share capital by issuing ADV shares addressed to the shareholders of SMT Software SA and Codemedia SA will be looked into among other things. Under planned aimed at reducing operating cost (resulting in the closedown of Wroclaw division) and transferring the core business to Warsaw office which better corresponds to the specificity of the studio work providing the whole production pipeline (complex 3D realization of animations and postproduction work). New management was hired as well as people responsible for production and sales goals. Xantus has been operating in the new structure since September and we already see a dramatically higher number of sales' leads and orders included in realization process. Reversal in trend will take place in first quarter of the next year.

Fourth quarter of this year will be very good for the Issuer according to the Management Board prognosis i.a because of the seasonality of the business. If our investors suport the project of ADV Group's transformation, they can count on the positive impact of the consolidation of the minority results. Management believes that shareholders who are used to dynamic increases in revenues and profits will not be disappointed.
transformation acquisition iof SMT Software SA and Codemedia SA is to be made by the Group.

Management believes that this proposed operation will stimulate the development of the Group. Thanks to it ADV Group will consolidate the minorities results, and what is worth stressing, their profits are growing faster than the consolidated profit of the Group itself. The transformation will also translate into cost synergies and better and more efficient service in the area of business support processes. In large part it will also influence even

faster growth in revenues and EBITDA in the segments of technology, media and e-commerce, which should translate into an increase in consolidated EPS.

Management believes that due to the intersection of competence and experience in the field of media and technology further dynamic growth of the company's revenues will occur from the e-commerce segment
The only company that does not fulfill a target is Xantus animation studio. ADV Group is in possession of 50% of this company's shares, thus consolidating 50% of the current losses. In order to stop the decline in revenues and direct the company towards growth the Board of ADV Group took restructurizing actions.

Konrad Pankiewicz President of the Management Board	Kamila Karpińska Member of the Management Board	Adam Kuszyk Member of the Management Board

Gdynia, September 30, 2012

II. Selected financial data of Grupa ADV S.A.

1. Consolidated statement of income – selected data in thousand PLN and EUR

SELECTED CONSOLIDATED FINANCIAL DATA STATEMENT OF COMPREHENSIVE INCOME	PLN'000		EUR'000	
	for the period:			
	from 01.01.12 to 30.09.2012	from 01.01.11 to 30.09.11	from 01.01.12 to 30.09.12	from 01.01.11 to 30.09.11
Revenue	79 311	57 991	18 907	14 349
Cost of sales	62 895	44 604	14 993	11 037
Gross profit (loss)	**16 416**	**13 387**	**3 913**	**3 313**
Administrative expenses	11 189	9 413	2 667	2 329
Profit (loss) on sales	**5 227**	**3 974**	**1 246**	**983**
Other income	288	1 465	69	363
Other expense	493	766	118	190
Operating profit (loss)	**5 022**	**4 673**	**1 197**	**1 156**
Gains (losses) on finance activities	201	-351	48	-87
Profit (loss) on business activities	**5 223**	**4 322**	**1 245**	**1 069**
Goodwill impairment loss	0	0	0	0
Gain on disposal of subsidiaries	0	-26	0	-6
Profit (loss) before tax	**5 223**	**4 296**	**1 245**	**1 063**
Income tax expense	433	697	103	172
Net profit (loss) attributable to non-controlling interests	2 092	1 469	499	363
Net profit (loss)	**2 698**	**2 130**	**643**	**527**
Earnings (loss) per share (PLN)	**0,39**	**0,30**	**0,09**	**0,08**
Depreciation and amortisation	**1 070**	**566**	**255**	**140**

The financial data for the 3 quarters of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,1948

The financial data for the 3 quarters of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,0413

SELECTED CONSOLIDATED FINANCIAL DATA STATEMENT OF FINANCIAL POSITION	PLN'000		EUR'000	
	as at:			
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
I. Non-current assets	**12 123**	**10 137**	**2 947**	**2 295**
Intangible assets	2 392	2 392	581	542
Goodwill	2 138	1 813	520	410
Property, plant and equipment	2 821	2 580	686	584
Long-term investments	1 561	814	379	184
Long-term prepaid expenses	0	0	0	0
Long-term receivables	3 211	2 538	781	575
II. Current assets	**46 821**	**44 939**	**11 381**	**10 175**
Inventories	2 534	1 966	616	445
Short-term receivables	32 045	30 821	7 790	6 978
Short-term investments, including:	8 485	11 500	2 063	2 604
- cash and cash equivalents	3 569	5 672	868	1 284
Short-term prepaid expenses	3 757	652	913	148
Total assets	**58 944**	**55 076**	**14 328**	**12 470**
Equity, including:	26 060	21 937	6 335	4 967
- share capital	700	700	170	158
- non-controlling interests	8 381	6 501	2 037	1 472
Provisions	915	573	222	130
Non-current liabilities	9 489	9 532	2 307	2 158
Current liabilities	22 480	23 034	5 465	5 215
Total equity and liabilities	**58 944**	**55 076**	**14 328**	**12 470**
Book value per share (PLN)	**3,72**	**3,13**	**0,90**	**0,71**

The financial data as at September 30, 2012 were converted from PLN into EUR at the average rate quoted by the National Bank of Poland on that day, i.e. EUR 1 = PLN 4,1138 .

The financial data as at September 30, 2011 were converted from PLN into EUR at the average rate quoted by the National Bank of Poland on that day, i.e. EUR 1 = PLN 4,4168 .

SELECTED CONSOLIDATED FINANCIAL DATA STATEMENT OF CASH FLOWS	PLN'000		EUR'000	
	for the period:			
	from 01.01.12 to 30.09.2012	from 01.01.11 to 30.09.11	from 01.01.12 to 30.09.12	from 01.01.11 to 30.09.11
Cash flows from operating activities	-968	-2 192	-231	-542
Cash flows from investing activities	-1 508	-4 738	-359	-1 172
Cash flows from financing activities	373	2 770	89	685
Total net cash flows	**-2 103**	**-4 160**	**-501**	**-1 029**

The financial data for the 3 quarters of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,1948

The financial data for the 3 quarters of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,0413

SELECTED CONSOLIDATED FINANCIAL DATA STATEMENT OF COMPREHENSIVE INCOME	PLN'000		EUR'000	
	for the period:			
	from 01.07.12 to 30.09.2012	from 01.07.11 to 30.09.11	from 01.07.12 to 30.09.12	from 01.07.11 to 30.09.11
Revenue	26 568	24 046	6 425	5 740
Cost of sales	21 174	18 917	5 120	4 515
Gross profit (loss)	**5 394**	**5 129**	**1 304**	**1 224**
Administrative expenses	4 105	3 536	993	844
Profit (loss) on sales	**1 289**	**1 593**	**312**	**380**
Other income	232	546	56	130
Other expense	115	66	28	16
Operating profit (loss)	**1 406**	**2 073**	**340**	**495**
Gains (losses) on finance activities	-216	-139	-52	-33
Profit (loss) on business activities	**1 190**	**1 934**	**288**	**462**
Goodwill impairment loss	-	-	-	-
Gain on disposal of subsidiaries	-	-	-	-
Profit (loss) before tax	**1 190**	**1 934**	**288**	**462**
Income tax expense	-474	146	-115	35
Net profit (loss) attributable to non-controlling interests	503	700	122	167
Net profit (loss)	**1 161**	**1 088**	**281**	**260**
Earnings (loss) per share (PLN)	**0,17**	**0,16**	**0,04**	**0,04**
Depreciation and amortisation	**341**	**224**	**82**	**53**

The financial data for the third quarter of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,1354

The financial data for the third quarter of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,1894

SELECTED CONSOLIDATED FINANCIAL DATA STATEMENT OF COMPREHENSIVE INCOME	PLN'000		EUR'000	
	for the period:			
	from 01.07.12 to 30.09.2012	from 01.07.11 to 30.09.11	from 01.07.12 to 30.09.12	from 01.07.11 to 30.09.11
Cash flows from operating activities	1 101	1 331	266	318
Cash flows from investing activities	-446	-1 585	-108	-378
Cash flows from financing activities	37	-118	9	-28
Total net cash flows	**692**	**-372**	**167**	**-89**

The financial data for the third quarter of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.
The exchange rate was EUR 1 = PLN 4,1354

The financial data for the third quarter of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.
The exchange rate was EUR 1 = PLN 4,1894

2. Selected stand-alone financial data of Grupa ADV S.A. converted into EUR

Statement of income – selected data	PLN'000		EUR'000	
	for the period:			
	from 01.01.12 to 30.09.2012	from 01.01.11 to 30.09.11	from 01.01.12 to 30.09.12	from 01.01.11 to 30.09.11
Revenue	359	105	86	26
Cost of sales	-	54	-	13
Gross profit (loss)	**359**	**51**	**86**	**13**
Administrative expenses	2 017	1 370	481	339
Profit (loss) on sales	**-1 658**	**-1 319**	**-395**	**-326**
Other income	121	168	29	42
Other expense	221	104	53	26
Operating profit (loss)	**-1 758**	**-1 255**	**-419**	**-311**
Gains (losses) on finance activities	727	726	173	180
Profit (loss) on business activities	**-1 031**	**-529**	**-246**	**-131**
Profit (loss) before tax	**-1 031**	**-529**	**-246**	**-131**
Income tax expense	-815	-244	-194	-60
Net profit (loss)	**-216**	**-285**	**-51**	**-71**
Earnings (loss) per share (PLN)	**-0,03**	**-0,04**	**-0,01**	**-0,01**
Depreciation and amortisation	**35**	**34**	**8**	**8**

The financial data for the 3 quarters of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,1948

The financial data for the 3 quarters of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,0413

Statement on financial position – selected data	PLN'000		EUR'000	
	as at:			
	30.09.2012	31.12.2011	30.09.2012	31.12.2011
I. Non-current assets	**78 740**	**81 508**	**19 140**	**18 454**
Intangible assets	74	-	18	-
Property, plant and equipment	211	159	51	36
Long-term investments	77 339	80 950	18 800	18 328
Long-term prepaid expenses	1 116	399	271	90
II. Current assets	**7 470**	**9 278**	**1 816**	**2 101**
Inventories	3	-	1	-
Short-term receivables	4 738	4 458	1 152	1 009
Short-term investments, including:	2 392	4 743	581	1 074
- cash and cash equivalents	348	3 492	85	791
Short-term prepaid expenses	337	77	82	17
Total assets	**86 210**	**90 786**	**20 956**	**20 555**
Equity	63 193	65 679	15 361	14 870
- share capital	700	700	170	158
Provisions	13 468	13 872	3 274	3 141
Non-current liabilities	8 928	9 033	2 170	2 045
Current liabilities	621	2 202	151	499
Total equity and liabilities	**86 210**	**90 786**	**20 956**	**20 555**
Book value per share (PLN)	**9,03**	**9,38**	**2,19**	**2,12**

The financial data as at September 30, 2012 were converted from PLN into EUR at the average rate quoted by the National Bank of Poland on that day, i.e. EUR 1 = PLN 4,1138 .

The financial data as at September 30, 2011 were converted from PLN into EUR at the average rate quoted by the National Bank of Poland on that day, i.e. EUR 1 = PLN 4,4168 .

Statements of cash flows – selected data	PLN'000		EUR'000	
	for the period:			
	from 01.01.12 to 30.09.2012	from 01.01.11 to 30.09.11	from 01.01.12 to 30.09.12	from 01.01.11 to 30.09.11
Cash flows from operating activities	-2 069	-509	-493	-126
Cash flows from investing activities	927	-3 773	221	-934
Cash flows from financing activities	-2 002	-211	-477	-52
Total net cash flows	**-3 144**	**-4 493**	**-749**	**-1 112**

The financial data for the 3 quarters of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,1948

The financial data for the 3 quarters of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.

The exchange rate was EUR 1 = PLN 4,0413

Statement of income – selected data	PLN'000		EUR'000	
	for the period:			
	from 01.07.12 to 30.09.2012	from 01.07.11 to 30.09.11	from 01.07.12 to 30.09.12	from 01.07.11 to 30.09.11
Revenue	137	28	33	7
Cost of sales	-	10	-	2
Gross profit (loss)	**137**	**18**	**33**	**4**
Administrative expenses	604	511	146	122
Profit (loss) on sales	**-467**	**-493**	**-113**	**-118**
Other income	61	64	15	15
Other expense	118	58	29	14
Operating profit (loss)	**-524**	**-487**	**-127**	**-116**
Gains (losses) on finance activities	-231	-91	-56	-22
Profit (loss) on business activities	**-755**	**-578**	**-183**	**-138**
Profit (loss) before tax	**-755**	**-578**	**-183**	**-138**
Income tax expense	-486	-76	-118	-18
Net profit (loss)	**-269**	**-502**	**-65**	**-120**
Earnings (loss) per share (PLN)	**-0,04**	**-0,07**	**-0,01**	**-0,02**
Depreciation and amortisation	**13**	**12**	**3**	**3**

The financial data for the third quarter of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.
The exchange rate was EUR 1 = PLN 4,1354

The financial data for the third quarter of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.
The exchange rate was EUR 1 = PLN 4,1894

Statements of cash flows – selected data	PLN'000		EUR'000	
	for the period:			
	from 01.07.12 to 30.09.2012	from 01.07.11 to 30.09.11	from 01.07.12 to 30.09.12	from 01.07.11 to 30.09.11
Cash flows from operating activities	-1 717	296	-402	75
Cash flows from investing activities	2 013	-476	471	-120
Cash flows from financing activities	-33	64	-8	16
Total net cash flows	**263**	**-116**	**62**	**-29**

The financial data for the third quarter of 2012 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.
The exchange rate was EUR 1 = PLN 4,1354

The financial data for the third quarter of 2011 were converted into EUR at the rate equal to the arithmetic mean of exchange EUR/PLN rates quoted by the National Bank of Poland on the last day of each calendar month during the first half.
The exchange rate was EUR 1 = PLN 4,1894

3. Consolidated financial statement of Grupa ADV S.A.

Consolidated statement of comprehensive income

	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
Revenue	**79 311**	**91 975**	**57 991**
Sale of finished goods and rendering of services	79 311	91 919	57 935
Sale of merchandise and materials	-	56	56
Cost of sales	**62 895**	**67 289**	**44 604**
Finished goods sold and services rendered	62 895	67 265	44 580
Merchandise and materials sold	-	24	24
Gross profit (loss)	***16 416***	***24 686***	***13 387***
Distribution costs	229	142	0
Administrative expenses	10 960	13 769	9 413
Profit (loss) on sales	***5 227***	***10 775***	***3 974***
Other income	288	820	1 465
Other expense	493	1 710	766
Operating profit (loss)	***5 022***	***9 885***	***4 673***
Finance income	1 651	1 373	296
Finance cost	1 450	869	647
Gain (loss) on disposal of shares in subsidiaries	-	-	-26
Profit (loss) before tax	***5 223***	***10 389***	***4 296***
Income tax expense	433	2 055	697
Profit (loss) from continuing operations	***4 790***	***8 334***	***3 599***
Profit (loss) from discontinued operations	-	-	-
Net profit (loss)	***4 790***	***8 334***	***3 599***
Profit (loss) attributable to non-controlling interests	2 092	3 202	1 469
Profit (loss) attributable to owners of the Parent	**2 698**	**5 132**	**2 130**
Earnings (loss) per share (PLN)	**0,39**	**0,73**	**0,30**

Consolidated statement of comprehensive income (continued)

	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
Net profit (loss)	***4 790***	***8 334***	***3 599***
Total comprehensive income	***4 790***	***8 334***	***3 599***
Total comprehensive income attributable to non-controlling interests	2 092	3 202	1 469
Total comprehensive income attributable to owners of the Parent	**2 698**	**5 132**	**2 130**

Consolidated statement of financial position

Assets	30.09.2012	30.06.2012	31.12.2011	30.09.2011	30.06.2011
Non-current assets	**12 123**	**11 098**	**10 137**	**8 308**	**6 900**
Property, plant and equipment	2 138	1 741	1 813	1 632	1 541
Intangible assets	2 392	2 361	2 392	911	992
Goodwill	2 821	2 821	2 580	4 522	3 510
Shares in non-consolidated subsidiaries	3 178	3 138	2 506	400	299
Other financial assets	33	32	32	30	29
Deferred tax assets	1 560	1 004	715	769	477
Long-term prepaid expenses	1	1	99	44	52
Current assets	**46 821**	**45 745**	**44 939**	**36 456**	**30 872**
Inventories	2 534	2 211	1 966	1 906	1 003
Trade receivables	25 615	26 225	26 196	19 482	15 968
Current tax assets	52	40	40	54	20
Other receivables	6 378	7 772	4 585	4 275	3 768
Available-for-sale financial assets	1 199	1 199	1 082	-	-
Other financial assets	3 717	3 658	4 746	6 465	6 351
Short-term prepaid expenses	3 757	1 763	652	1 051	167
Cash and cash equivalents	3 569	2 877	5 672	3 223	3 595
TOTAL ASSETS	**58 944**	**56 843**	**55 076**	**44 764**	**37 772**

Consolidated statement of financial position

Equity & liabilities	30.09.2012	30.06.2012	31.12.2011	30.09.2011	30.06.2011
Equity attributable to owners of the Parent	**26 060**	**24 396**	**21 937**	**18 520**	**16 831**
Share capital	***17 679***	***16 518***	***15 436***	***13 116***	***12 007***
Share premium	**700**	**700**	**700**	**700**	**700**
Treasury shares (–)	5 707	5 707	5 707	5 707	5 707
Translation reserve	8 425	8 425	4 897	5 695	5 652
Net profit (loss) for the current year	149	149	-1 000	-1 116	-1 094
Non-controlling interests	2 698	1 537	5 132	2 130	1 042
Non-current liabilities	*8 381*	*7 878*	*6 501*	*5 404*	*4 824*
Borrowings, other debt instruments	**9 927**	**9 675**	**9 714**	**5 627**	**5 629**
Other non-current liabilities	9 489	9 318	9 532	5 425	5 508
Long-term deferred income	438	357	182	202	121
Borrowings, other debt instruments	**22 957**	**22 772**	**23 425**	**20 617**	**15 312**
Other financial liabilities	4 887	4 664	3 116	3 812	3 445
Trade payables	1 034	741	1 055	1 108	1 129
Current tax liabilities	10 593	10 165	12 200	9 181	4 794
Other financial liabilities	515	532	1 379	450	372
Short-term deferred income	2 479	5 250	4 874	4 649	4 871
Employee benefits provisions	2 972	768	410	915	451
Other short-term provisions	357	357	286	248	248
Liabilities under non-current assets held for sale	120	295	105	254	2
Equity	**58 944**	**56 843**	**55 076**	**44 764**	**37 772**

Consolidated statements of cash flows

	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax	**5 223**	**10 389**	**4 296**
Total adjustments:	**-4 293**	**-8 702**	**-5 595**
Share of profit (loss) of subsidiaries accounted for using the equity method	1 070	833	566
Depreciation and amortisation	21	-6	0
Foreign exchange gains (losses)	753	432	-96
Interest income and dividend received	-1 158	-613	7
Profit (loss) on investing activities	-	-	-
Change in provisions	86	246	101
Change in inventories	-568	-602	-542
Change in trade and other receivables	568	-15 626	-8 040
Change in trade and other payables, excluding borrowings and other debt instruments	-4 751	6 767	3 424
Change in other assets	-314	-148	-1 041
Other adjustments	-	15	-
Cash provided by operating activities	**930**	**1 687**	**-1 299**
Income taxes (paid) received	-1 898	-1 442	-893
A. Net cash flows from operating activities	**-968**	**245**	**-2 192**
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows	**2 385**	**5 783**	**2 093**
Proceeds from disposals of intangible assets and property, plant and equipment	97	32	13
Proceeds from disposals of investment property	-	-	-
Proceeds from disposals of financial assets	4	-	5
Other investment inflows	2 284	5 751	1 033
Repayment of loans made	-	-	-
Outflows	**3 893**	**14 129**	**6 831**
Purchase of intangible assets and property, plant and equipment	751	2 052	391
Purchase of investment property	-	-	-
Purchase of financial assets	1 967	8 863	4 100
Dividends and other distributions to non-controlling interests	555	206	207
Other investment outflows	620	3 008	2 133
A. Net cash flows from investing activities	**-1 508**	**-8 346**	**-4 738**
CASH FLOWS FROM FINANCING ACTIVITIES			

Inflows	**2 947**	**9 095**	**3 110**
Proceeds from issue of share capital	-	-	-
Borrowings, other debt instruments	2 947	4 006	3 110
Proceeds from issue of debt securities	-	4 000	-
Other financing inflows	-	1 089	-
Outflows	**2 574**	**2 705**	**340**
Purchase of treasury shares	-	-	-
Dividends and other distributions to owners of the Parent	-	-	-
Distributions from profit to owners of the Parent other than dividend	-	-	-
Repayment of borrowings and other debt instruments	1 025	1 700	-
Repayment of debt securities	-	-	-
On other financial liabilities	-	-	-
Payment of finance lease liabilities	600	365	235
Interest paid	633	640	105
Other financing outflows	316	0	0
A. Net cash flows from financing activities	**373**	**6 390**	**2 770**
D. Total net cash flows	**-2 103**	**-1 711**	**-4 160**
E. Change in cash and cash equivalents	**-2 103**	**-1 711**	**-4 160**
	-	-	-
F. Cash and cash equivalent, beginning of the period	**5 672**	**7 383**	**7 383**
G. Cash and cash equivalent, end of the period	**3 569**	**5 672**	**3 223**

Consolidated statement of changes in equity

	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
Share capital			
Balance at beginning of the period	**700**	**700**	**700**
Changes in accounting policies	-	-	-
Corrections of errors	-	-	-
Restated balance	**700**	**700**	**700**
Issue of share capital	-	-	-
Cost of share issue	-	-	-
Balance at end of the period	**700**	**700**	**700**

Share premium	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
Balance at beginning of the period	**5 707**	**5 707**	**5 707**
Changes in accounting policies	-	-	-
Corrections of errors	-	-	-
Restated balance	**5 707**	**5 707**	**5 707**
Issue of share capital	-	-	-
Cost of share issue	-	-	-
Balance at end of the period	**5 707**	**5 707**	**5 707**

Other components of equity	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
Balance at beginning of the period	**4 897**	**1 722**	**1 722**
Changes in accounting policies	-	-	-
Corrections of errors	-	-	-
Restated balance	**4 897**	**1 722**	**1 722**
Profit distribution	3 984	3 070	3 085
Other	-456	105	888
Balance at end of the period	**8 425**	**4 897**	**5 695**

Non distributed earning	for the period: 01.01.2012 - 30.09.2012	for the period: 01.01.2011 - 31.12.2011	for the period: 01.01.2011 - 30.09.2011
Balance at beginning of the period	**-1 000**	**-493**	**-493**
Changes in accounting policies	-	-	-
Corrections of errors	-	-	-
Restated balance	**-1 000**	**-493**	**-493**
Disposal (purchase) of shares in related	-	-	-76

entities			
Profit distribution	1 149	-532	-547
Total comprehensive income	-	-	-
Other	-	25	-
Balance at end of the period	**149**	**-1 000**	**-1 116**

Net profit (loss) for the period	**for the period: 01.01.2012 - 30.09.2012**	**for the period: 01.01.2011 - 31.12.2011**	**for the period: 01.01.2011 - 30.09.2011**
Balance at beginning of the period	**5 132**	**2 538**	**2 538**
Changes in accounting policies	-	-	-
Corrections of errors	-	-	-
Restated balance	-	-	-
Profit distribution	-5 132	-2 538	-2 538
Total comprehensive income	2 698	5 132	2 130
Balance at end of the period	**2 698**	**5 132**	**2 130**
Equity attributable to owners of the Parent at beginning of the period	**15 436**	**10 174**	**10 174**
Equity attributable to owners of the Parent at end of the period	**17 679**	**15 436**	**13 116**

Non-controlling interests	**for the period: 01.01.2012 - 30.09.2012**	**for the period: 01.01.2011 - 31.12.2011**	**for the period: 01.01.2011 - 30.09.2011**
Balance at beginning of the period	**6 501**	**3 499**	**3 499**
Changes in accounting policies	-	-	-
Corrections of errors	-	-	-
Restated balance	-	-	-
Issue of share capital	-	228	200
Cost of share issue	-	-	-
Disposal (purchase) of shares in associates	343	-222	443
Dividend paid	-555	-206	-207
Total comprehensive income	2 092	3 202	1 469
Balance at end of the period	**8 381**	**6 501**	**5 404**

III. Notes to the financial statements

Summary of principle accounting policies

The financial statements are prepared on the historical cost basis except that financial instruments are stated at their fair value. The changes of fair value of derivatives adjust hedged assets and(or) liabilities book (balance sheet) value. The consolidated financial statements are presented in PLN thousands unless indicated otherwise.

Revenue and expenses

Sales revenue comprises revenue earned (net of value added tax (VAT), returns, discounts and allowances) from the provision of services or goods to third parties except for excise tax.

Operating expenses are recognized in the amount due or paid, net of VAT and discounts, in direct relationship to achieved revenue.

Grants

Grants are recognized in financial statement when there is a reasonable assurance that they will be received and that the Group will comply with the conditions attaching thereto. Grants received to fund acquisition of fixed assets, are recognized in the balance sheet initially as deferred income. The grants are recognized in the income statement as other operating revenues on a systematic basis over the useful life of the respective assets. Grants received to refund costs expensed or accrued by the Group are recognized respectively to recognition of expenses to be refunded.

Interest and dividend revenue

Dividend income is recognized when the right to receive payment is established. Interest income is recognized as the interest is accrued using the effective interest method.

Borrowing costs

Interest and other costs of borrowing are recorded in the income statement using effective interest rate in the period to which they relate, unless directly related to investments in qualifying assets, which require a substantial period of time to get ready for its intended use or sale, in which case they are capitalized.

Employee benefits

Short-term employee benefits are recognized in income statement respectively to the services received from employees and
if the following conditions have been meet:

- the Group has a current, legal obligation to make such a payments and

- such obligation can be fairly estimated.

Retirement benefit scheme and similar schemes are estimated and recognized in income statement based on accrual methods.

Taxation – current tax

Income tax on the profit or loss for the year comprises current and deferred tax. The tax base differs to gross income due to non-deductible costs and non taxable income. Current tax expense is calculated according to tax regulations and the current tax rates.

Taxation – deferred tax

Deferred tax is provided, using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for tax losses carried forward.

Deferred tax assets is determined at the amount of income tax recoverable in the future in respect of taxable temporary differences, i.e. differences, which will result in a future decrease of tax base and the carry forward tax losses, taking into account the prudence principle.

Deferred tax provision is recognized at the amount of income tax payable in the future in respect of taxable temporary differences, i.e. differences which result in an increase of the tax base in the future.

A deferred tax provision or assets are determined by taking into account tax rates applicable in the year in which the related tax obligation arises.

Property, plant and equipment

Property, plant and equipment include tangible assets and expenditure on assets under construction with expected economic useful lives exceeding one year and . Property, plant and equipment are measured at cost of acquisition or manufacture, less accumulated depreciation or amortization and permanent impairment losses.

Expenditures may include capital expenditures as accrued interests

The initial cost of property, plant and equipment except for land, is decreased by depreciation charges which reflect the impairment of the property, plant and equipment caused by usage or the passage of time.

The economic useful life of a given item of property, plant and equipment is taken into account while determining a depreciation period and an annual deprecation rate. For the presented period the economic useful life were as follows:

- Buildings 10 years
- plant and equipment from 5 to 10 years

- vehicles from 5 to 10 years
- other from 5 to 10 years.

Tangible assets at the balance sheet date are tested for impairment, permanent impairment of assets takes place when it is very likely that an asset in whole or in part will not bring in the future an economic benefits.

Assets hold under finance lease are depreciated according to described above rules.

Gains or losses from sale or disposal of assets are recognized directly in income statement.

Intangible assets

Intangible assets, it means, property rights acquired by an entity, classified as noncurrent assets, suitable for business use, with expected economic useful lives exceeding one year, which are intended to be used by the entity.

R&D expenditures are recognized as an assets when all bellowed mentioned requirements are meet:

- the asset could be finished and able to be used or resale,
- the intention to complete an asset can be formally confirmed,
- the future benefits are known and probable;
- there are finance and other recourses necessary to complete an asset.

If expenditures do not meet above mentioned criteria they are recognized in income statement.

Similarly to tangible assets intangible assets are depreciated over the expected economic useful lives:

- software licenses 3 – 10 years
- rights to other assets 5 years

Intangible assets at the balance sheet date are tested for impairment, permanent impairment of assets takes place when it is very likely that an asset in whole or in part will not bring in the future an economic benefits.

Intangible assets hold under finance lease are depreciated according to described above rules.

Gains or losses from sale or disposal of intangible assets are recognized directly in income statement.

Impairment losses on non-financial assets

As at each balance-sheet date, the Group reviews the carrying values of non-current and intangible assets to estimate whether there re any indicators of impairment. Impairment of assets takes place when it is very likely that an asset in whole or in part will not bring in the future an economic benefits.

If there is any indication of impairment, the recoverable amount is estimated and appropriate write offs are made.

The test on impairment are made for separate cash-generating assets or group of assets if a separate asset does not generate cash flow but group of assets do.

In case of intangible assets with indefinite useful lives, a test for impairment is conducted on an annual basis. An additional test for impairment is carried out if there is any indication that any such intangible asset may be impaired.

The recoverable amount is determined as the higher of the following: fair value less distribution costs or value in use. The latter corresponds to the present value of estimated future cash flows discounted using a pre-tax discount rate reflecting the current market time value of money and the risk specific to a particular asset.

If the recoverable amount is lower than the book value of an asset (or a cash generating-unit), the book value of the asset or unit is decreased to the recoverable amount. The impairment loss is immediately charged to costs of the period in which it arose, unless the asset was carried at a revalued amount (in which case the impairment loss is considered as a reduction of the previous revaluation).

When the impairment loss is subsequently reversed, the net value of the asset (or cash-generating unit) is increased to the new estimated recoverable value; however not higher than the carrying value of the asset, which would have been established, if impairment loss on the asset/cash-generating unit had not been recognised in the previous years. Reversal of the asset impairment loss is immediately recognised in the income statement, unless the asset has been revalued, in which case the reversal of the impairment loss is treated as an increase in the revaluation reserve.

Leases

A lease is classified as a finance lease if the lease agreement provides for the transfer of substantially all potential benefits and risks resulting from the ownership of the leased asset onto the lessee. All other types of lease are treated as operating leases.

Assets used under a finance lease are recognised as the Group's assets and are measured at fair value as at the acquisition date, the fair value being no higher than the present value of the minimum lease payments. The resultant liability to the lessor is disclosed in the statement of financial position under finance lease liabilities.

Lease payments are apportioned between the interest and reduction of the outstanding lease liability so as to produce a constant rate of interest on the outstanding balance of the liability. Finance costs are charged directly to the income statement.

Operating lease payments are charged to profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the user's economic benefits under the lease of a given asset.

Financial assets

Investments are recognised on the date of purchase and derecognised from the financial statements on the date of sale, if an agreement provides for delivery at a date specified by the relevant market. Assets are initially measured at fair value less transaction costs, except for assets classified as assets to be initially measured at fair value through profit or loss.

Financial assets are classified into: financial assets at fair value through profit or loss, held-to-maturity investments, financial assets available for sale and loans and receivables. Financial assets are classified upon initial recognition on the basis of their nature and purpose.

Financial assets at fair value through profit or loss

In this category the entity classifies financial assets which are held for sale or which are measured at fair value through profit or loss.

A financial asset is classified as held for sale if:

- it was acquired primarily for the purpose of selling it in the near term; or
- it is part of a portfolio of identified financial instruments that are managed together in accordance with a recent actual pattern of short-term profit-taking; or
- it is a derivative other than a derivative which has been classified as a hedge or has the effect of a hedge.

Financial assets other than held for trading may be designated as financial assets measured at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency which would otherwise occur; or
- a group of financial assets or liabilities or both is managed and its performance is measured on a fair value basis in accordance with a documented risk management or investment strategy applied by the Group, whereunder information regarding asset grouping is exchanged internally; or
- they constitute part of a contract with one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits that the entire contract (an asset or a liability) be designated as at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are disclosed at fair value and related profit or loss is recognised in the income statement. The net profit or loss disclosed in the income statement include dividend or interest generated by a given financial asset.

Held-to-maturity investments

Investments and other financial assets, except for derivatives, with fixed or negotiable payment terms and fixed maturity that the Group has an intention and ability to hold to maturity are classified as held-to-

maturity investments. They are measured at amortised cost using the effective interest rate method after deducting any impairment whereas income is recognised using the effective income method.

Available-for-sale financial assets

Unlisted shares and redeemable bonds, held by the Group and traded on an active market, are classified as assets available for sale and reported at fair value. Any gains or losses due to changes in their fair value are recognised directly in equity (in revaluation reserve), except in the case of impairment losses, interest computed using an effective interest rate as well as foreign exchange gains and losses relating to monetary assets, all of which are recognised directly in profit or loss. When an investment is disposed of or found to have been impaired, the cumulative gain or loss previously recognised in revaluation reserve is taken to profit or loss for the period.

Dividends from equity instruments available for sale are recognised in profit or loss when the Group has been granted to right to receive them.

Fair value of available-for-sale monetary assets denominated in foreign currencies is measured by converting those currencies using the spot rate applicable for the reporting date. Changes in fair value are recognised in profit or loss to the extent they relate to foreign-exchange differences due to changes in the historical amortised cost of a given asset, and otherwise in equity.

Loans and receivables

Trade receivables, loans and other receivables with fixed or negotiable payment terms, not traded on an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using effective interest rate, less impairment. Interest income is recognised at the effective interest rate, save with respect to current receivables where recognition of interest income would be immaterial.

Impairment of financial assets

Financial assets other than assets at fair value through profit or loss are reviewed for impairment as at each reporting date. A financial asset is impaired if an objective indication exists that events which took place after its initial recognition had an adverse effect on the estimated future cash flows from the asset.

In the case of unlisted shares classified as available for sale, any significant or long-term decline in the fair value of the securities below their cost is considered objective evidence of impairment.

In the case of certain categories of financial assets, e.g. trade receivables, individual assets considered unimpaired are reviewed for impairment as a group.

As far as financial assets carried at amortised cost are concerned, any impairment loss to be recognised is equal to the difference between the carrying amount of an asset and the present value of estimated future cash flows discounted using the original interest rate applicable to the financial asset.

Carrying amounts of financial assets are reduced by the value of impairment for all such assets other than trade receivables, the carrying amounts of which are reduced using an account dedicated to adjustment of their

original values. When a trade receivable is found to be uncollectible, it is written down by charging this revaluation account. If, on the other hand, amounts previously written down are subsequently recovered, an appropriate amount is credited to the revaluation account. Changes in the carrying amount of the revaluation account are taken to profit or loss as other income or expense.

Except in the case of financial instruments available for sale, if in the next reporting period the value of impairment reduces, and such reduction may be reasonably related to an event occurring subsequent to impairment recognition, the previously recognised impairment loss is reversed in the income statement, provided that the carrying amount of the investment on the impairment reversal date does not exceed the amortised cost which would have been reported had impairment not been recognised.

Impairment losses on equity securities held for sale, previously recognised through profit or loss, are not reversed through profit or loss. Any increases in fair value of such instruments subsequent to recognition of their impairment are recognised directly in equity.

Share capital (*equity instruments issued by the Group)*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the amount of received issue proceeds net of direct issue costs.

A puttable financial instrument may be classified as an equity instrument if it has all the following features:

(a) it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation;

(b) the instrument is in the class of instruments that is subordinate to all other classes of instruments and all the instruments in this class have the identical features;

(c) the instrument has no other features which would meet the definition of a financial liability; and

(d) the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity over the life of the instrument (excluding any effects of the instrument). For this purpose, the profit or loss, or the change in the recognised net assets, are measured in accordance with the applicable IFRS. The entity must have no other financial instrument that has the effect of substantially restricting or fixing the residual return to the puttable instrument holder.

The criteria for classification as equity instruments of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity on liquidation are the same as those presented above, except for items (c) and (d), which do not apply.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or as other financial liabilities.

Financial liabilities at fair value through profit or loss

In this category the entity classifies financial liabilities which are held for sale or which are defined as measured at fair value through profit or loss.

A financial liability is classified as held for sale if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- is part of a portfolio of identified financial instruments that are managed together in accordance with a recent actual pattern of short-term profit-taking; or
- it is a derivative other than a derivative which has been classified as a hedge or has the effect of a hedge.

Financial liabilities other than held for trading may be designated as financial liabilities measured at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency which would otherwise occur; or
- a group of financial assets or liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy applied by the Group, whereunder information regarding asset grouping is exchanged internally; or
- they constitute part of a contract with one or more embedded derivatives, and IAS 39 permits that the entire contract (an asset or a liability) be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are carried at fair value, and any related financial gains or losses are recognised in profit and loss allowing for the interest paid on any given financial liability.

Other financial liabilities

Other financial liabilities, including bank loans and borrowings, are initially measured at fair value less transaction costs and then at amortised cost using effective interest rate (interest expense is measured using the effective income method).

The effective interest rate method is a method of calculating the amortised cost of a liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that effectively discounts estimated future cash payments over the expected life of a given liability or, when appropriate, a shorter period.

Provisions

Provisions are created when the Group has a present obligation (legal or constructive) resulting from past events, and when it is probable that the discharge of this obligation will cause an outflow of funds embodying economic benefits, and the amount of the obligation, whose amount and maturity date is not certain, may be reliably estimated.

A provision is recognised in an amount of the best estimate of the amount required to settle the existing obligation, made as at the end of the reporting period taking into account the risks and uncertainties associated with the obligation. If a provision is measured using the method of determining the estimated cash flow necessary to settle the present obligation, its carrying amount corresponds to the present value of such cash flows.

If it is probable that some or all of the economic benefits required to settle the provision can be recovered from a third party, such a receivable is recognised as an asset, provided that the probability of such recovery is sufficiently high and that it can be reliably estimated.

Functional currency and presentation currency

a) Functional currency and presentation currency

Items of the financial statements are measured in the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the Polish złoty (PLN), which is the functional currency and the presentation currency of the Group.

b) Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of these transactions as well as from balance-sheet valuation of monetary assets and liabilities expressed in foreign currencies are recognised in the income statement, unless they are recognised in equity (when they qualify for recognition as cash flow hedges or hedges of interest in net assets).

II. Material professional judgements and estimates

a) Professional judgement

Apart from the accounting estimates, the professional judgement of the management was of key importance in the application of the accounting policies.

Classification of lease agreements
The Group classifies leases either as operating leases or finance leases, depending on the assessment of the extent to which the risks and benefits of holding the leased assets are attributed to the lessor and to the lessee. Such assessment is based on the economic substance of each transaction.

b) Uncertainty of estimates

Below are presented the key forward-looking assumptions and other key sources of uncertainty which existed as at the balance-sheet date and involved considerable risk that material adjustments will have to be made to carrying amounts of assets and liabilities in the next financial year.

Impairment of assets

The Group has tested for impairment its goodwill arising on business combinations. To do so, the Group was required to estimate the value in use of the cash generating unit to which the goodwill was allocated. Estimating the value in use involves determining the future cash flows to be generated by the cash generating unit and the discount rate to be used to calculate the present value of those cash flows.

Deferred tax assets
The Group recognises deferred tax assets based on the assumption that taxable profit will be earned in the future to enable these assets to be utilised. If taxable profits deteriorated in the future, this assumption could prove wrong.

Depreciation/amortisation rates
Depreciation/amortisation is charged based on the anticipated useful lives of property, plant and equipment and intangible assets. The Group reviews the useful lives of its assets annually, on the basis of current estimates.

IV. Additional notes

Nota 1. Operating segments

Overview of the operating segments:

The Group's operations have been divided into operating segments based on the type of operations carried out by the Group entities. The following three segments have been identified:

- digital communications, previously described as integrated communication (Grupa ADV S.A., Adv.pl Sp. z o.o., Codemedia S.A., MAT Sp. z o.o., and Xantus S.A.)
- innovative technologies (SMT Software S.A.)
- other (AdvFinance Sp. z o.o.).

The accounting policies applied with respect to individual segments are consistent with the policies applied throughout the Group, as described above.

Segment	01.01. – 30.09.2012	01.01. – 30.09.2012
	External sales	Sales to other operating segments
Digital communications	47 753	4 581
Innovative technologies	31 524	440
Other	34	325
Total	79 311	5 346
Group revenue	79 311	-

Segment	01.01. – 30.09.2011	01.01. – 30.09.2011
	External sales	Sales to other operating segments
Digital communications	36 171	1 969
Innovative technologies	21 781	356
Other	39	235
Total	57 991	2 560
Group revenue	57 991	-

Net profit by operating segment

Segment	01.01. – 30.09.2012	
Digital communications	2 042	Net profits of particular segments include profits from inter-segment transactions, based on relevant analyses performed by the Group's management.
Innovative technologies	2 753	
Other	-5	
Total	**4 790**	
Net profit (loss) attributable to non-controlling interests	2 092	
Net profit of the Group	**2 698**	

Segment	01.01. – 30.09.2011	
Digital communications	1 718	Net profits of particular segments include profits from inter-segment transactions, based on relevant analyses performed by the Group's management.
Innovative technologies	1 868	
Other	13	
Total	**3 599**	
Net profit (loss) attributable to non-controlling interests	1 469	
Net profit of the Group	**2 130**	

Assets by operating segment

As at: 30.09.2012

Segment	Fixed assets	Operating assets
Digital communication	3 459	27 551
Innovative technologies	5 771	19 098
Other	72	172
Total	9 302	46 821
Goodwill	2 821	0
Group assets	12 123	46 821

As at: 30.09.2011

Segment	Fixed assets	Operating assets
Digital communication	2 730	29 756
Innovative technologies	4 759	15 062
Other	68	121
Total	7 557	44 939
Goodwill	2 580	0
Group assets	10 137	44 939

Note 2. Changes in estimates

In the period of three quarters of 2012, there were no changes in estimates.

Note 3. Impairment losses on assets

In the period of three quarters of 2012 the total write off on impairment losses on assets amounted to k PLN 73.

Note 4. Sale and purchase of property, plant and equipment

In the period of three quarters of 2012 the capita group has acquired the fixed assets at the amount of k PLN 934 and intangible assets at the amount of k PLN 558, this under finance lease agreement k PLN 741

The acquired tangible assets fall into the following groups:

- Machinery and equipment – k PLN714

- Means of transport – k PLN 125

- Other – k PLN 95

During the same period sales transaction of means of transport was made and it net value amounted to k PLN 97

Note 5. Issue, redemption and repayment of debt and equity securities

During the period of three quarters of 2012 there was no buy-back or repayment of bonds and other instruments.

For the same period there was no redemption or repayment of both debt and equity securities. In the current period, accrued interest on the bonds issued in previous years amounted to k PLN 796. By 30.09.2012 interest on the bonds in the amount of k PLN 485 had been settled.

Note 6. Dividend (total or per share amount) from ordinary or other shares

Not applicable.

Note 7. Transactions between associated parties

The following table shows the total amount of transactions with related parties for the current period.

Related party	Revenues	Purchases	Receivables	Loans granted	Payables	Loans received
Associate:						
Iweii S.A.	15	-	614	921	4	-
MobiCare Sp. z o.o.	10	-	668	-	-	-
Traffic Info Sp. z o.o.	23	5	20	428	18	-
CodeArch Sp. z o.o.	18	465	25	-	112	-
Trade Marketing Sp. z o.o.	18	-	20	25	-	-
iAlbatros S.A.	1 265	10	2 048	537	10	-
CMI S.A.	180	-	0	-	-	-
SMT Software Nederlands B.V.	0	-	0	33	-	-
Related by management board members:	33	409	51	1 500	98	-

Note 8. Material events after the balance sheet date.

On 10 October 2012 in the National Court Register a transformation of Lemon Sky Limited Liability Company into a limited joint-stock company was registered. Lemon Sky Limited Liability Joint Stock Company was registered under the KRS 0000435937 number.

Note 9. Business combinations

From 1 January 2012 Trade Tracker Poland sp. z o .o.(TTP) is consolidated according to acquisition accounting. Codemedia S.A. owns 50% of shares in equity of (TTP). Below are presented the basic information relating to this business combination:

1. *The cost of business combination amounted to k PLN 50 and this reflects 1000 new shares, each valued 50 PLN.*

2. *At the acquisition date assets and liabilities of TTP amounted to ('000 PLN):*

Fixed assets	0	*Provisions*	0
Current assets	583	*Long term liabilities*	0
		Short term liabilities	774

3. *The net profit of TTP for the first six months of 2012 mounted to k PLN 382, with the minority interest in an amount of k PLN 231.*

4. *Revenues for the same period amounted to k PLN 1.492.*

Note 10. Impact of business combinations on consolidated cash flow

As a result of business combination the adjustments in consolidated cash flow in changes of balance sheet position has been made as follows:

- *the change of receivables value has been adjusted by k PLN 563;*
- *the change of short term payables has been adjusted by k 748 tys. PLN.*

Note 11. Information on seasonal and cyclical changes in the Group's operations

- Spending schedules for customers' marketing budgets in the case of the subsidiaries operating in the area of integrated digital communications (Adv.pl Sp. z o.o., Codemedia S.A., Mediasense Sp. z o.o., MAT Sp. z o.o.);
- Spending schedules for customers' IT investment budgets and the need to start using new solutions from the beginning of a new year in the case of SMT Software S.A., operating in the sector of IT technologies.

  Due to the seasonality effect attributable to those factors, reflected in higher revenues and profits in the fourth quarter of each year compared with the remaining quarters, historically the ADV Group's consolidated financial performance has always improved in Q4.

  The seasonal revenue spike seen in the last quarter of each year is a recurring factor, the causes of which are known to the Parent and can been explained as follows:
    - In the case of the subsidiaries active in the area of integrated digital communications, seasonality is due to the implementation of customers' budgets, which normally span one-year periods (from January to December) – funds unused in the first three quarters are spent in the last quarter;
    - In the case of the subsidiary operating in the sector of IT technologies (SMT Software S.A.) the number of executed contracts is roughly comparable in each quarter of a year, but invoicing is largely made in Q4. This is due to arrangements with customers.

CONDENSED ADDITIONAL INFORMATION CONCERNING SEPARATE DATA

Note 1. CHANGE IN NON-CURRENT FINANCIAL ASSETS - RELATED ENTITIES

Specification	Shares in	Specification	Shares in	Specification
GROSS VALUE (PLN '000)				
OB 01.01.2012	**80 382**	**39**	**0**	**80 421**
Increases:	0	0	0	0
- purchase/acquisition	0	0	0	0
- marking to market	0	0	0	0
Decreases:	3 513	0	0	3 513
- sale	709	0	0	709
- other	2 804	0	0	2 804
CB 30.09.2012	**76 869**	**39**	**0**	**79 908**
IMPAIRMENT LOSSES (PLN '000)				
OB 01.01.2012	**0**	**0**	**0**	**0**
Increases	**0**	**0**	**0**	**0**
Decreases	**0**	**0**	**0**	**0**
CB 30.09.2012	**0**	**0**	**0**	**0**
NET VALUE (PLN '000)				
OB 01.01.2012	**80 382**	**39**	**0**	**80 421**
CB 30.09.2011	**76 869**	**39**	**0**	**79 908**

Note 2. LONG-TERM EQUITY HOLDINGS IN SUBSIDIARY, JOINTLY-CONTROLLED, ASSOCIATED AND OTHER ENTITIES AS AT JUNE 30, 2012 (PLN '000)

Name, form of incorporation and registered office	Value at acquisition cost	Revaluation adjustments	Carrying value	% of share capital	% of total vote
Subsidiaries					
SMT Software S.A., Wrocław	1 602	36 331	**37 933**	52,23%	52,23
Codemedia Sp. z o.o., Warszawa	1 154	33 877	**35 031**	74,26%	74,26%
AdvFinance Sp. z o.o., Gdynia	50	0	**50**	100,00%	100,00%
Xantus S.A., Warszawa	3 000	0	**3 000**	50,00%	50,00%
Lemon Sky Sp. z o.o., Wrocław	855	0	**855**	90,00%	90,00%
Associates					
Iweii.com Sp. z o.o., Gdynia	39	0	**39**	34,00%	34,00%
RAZEM	**6 700**	**70 208**	**76 908**		

Nota 3. Financial income – dividends

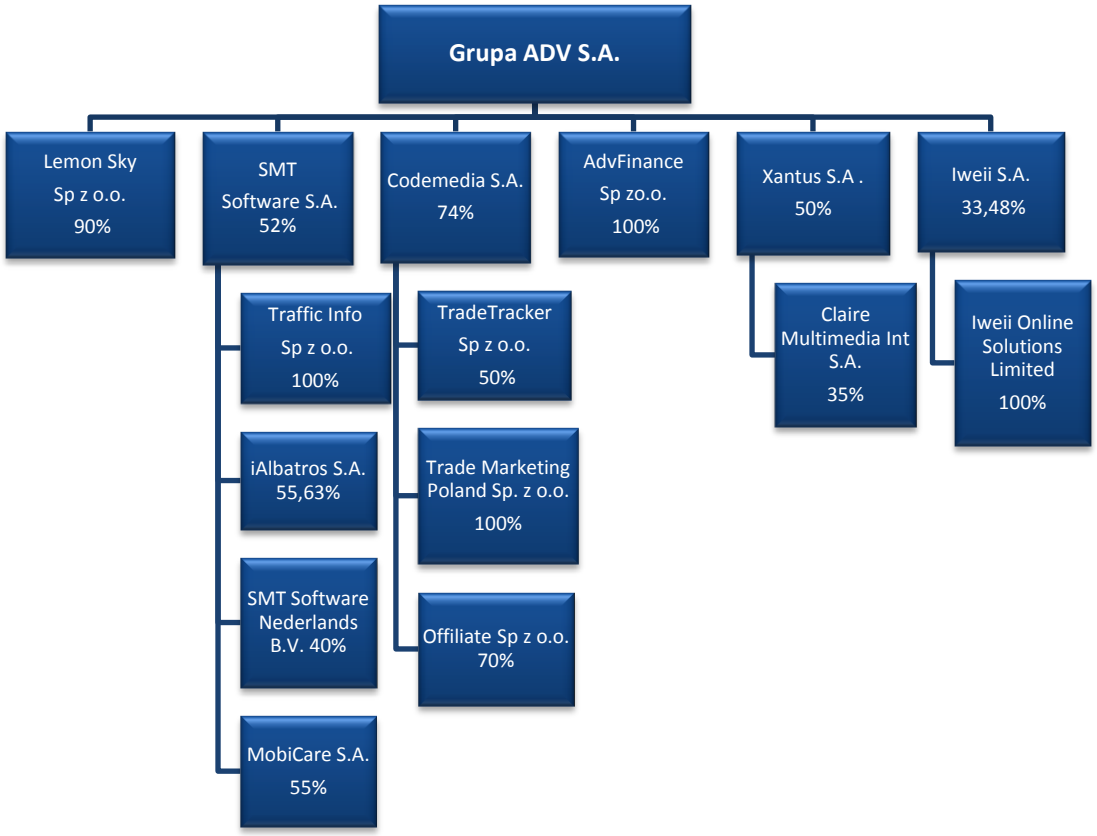
In the current period Grupa ADV S.A. recognized in stand alone financial statement as a profit dividends in the amount of k PLN 1.602. Since it has not been received at the date of financial statement it is reviled in the position of other short term receivables.

I. Description of the Group

1.1 Group's structure and consolidated entities.

Grupa ADV Spółka Akcyjna (Grupa ADV S.A.), with registered office at ul. Świętojańska 9/4, 81-368 Gdynia, Poland, is the parent of a group of companies operating in three dynamically growing segments: digital communications, innovative technologies, and e-commerce.

1.1 Group companies



1.2 Spółki Grupy Kapitałowej Grupa ADV S.A. objęte konsolidacją na dzień 30.09.2012 r.

Consolidated entities	% of share capital	% of votes on GM
LemonSky Sp. z o.o.	90	90
SMT Software Sp. z o.o.	52	52
Codemedia S.A.	74	81
AdvFinance Sp. z o.o.	100	100
Xantus S.A.	50	50
Trade Tracker Poland Sp z o.o.	37	40

1.3 Parent's holdings in Group companies as at June 30, 2012.

Subsidiaries	Share capital held (%)	Value of shares at acquisition cost PLN	Carrying value of shares PLN	Number of shares held
LemonSky Sp z o.o.	90	855 000	855.000	180
AdvFinance Sp z o.o.	100	50 000	50 000	100
Codemedia S.A	74	1 220 057	35 097 572	1 169 581
SMT Software S.A.	52	2 078 400	38 408 966	2 804 643
Xantus S.A.	50	3 000 000	3 000 000	300 000
Trade Tracker Poland Sp z o.o	indirect 37	50 000	50 000	1 000

1.4 General information on the Parent and Group companies.

Grupa ADV S.A.
Location: 81-368 Gdynia ul. Świętojańska 9/4

Business profile:

The Group comprises companies active in three fast-growing segments: digital communication, innovative technologies, and e-commerce (outsourcing of on-line sales).

The Group offers a full range of digital communication services, including:

- strategy/creation/implementation services across marketing communication channels,
- purchase of digital and traditional media,
- specialist browser-based marketing services,
- database acquisition and monetization (converting customer databases into cash streams),
- developing extensive on-line and mobile marketing tools,
- 3D imaging for TV advertisements and production of special effects for feature films and documentaries.

The following subsidiaries are responsible for the provision of digital communication services:

- Lemon Sky Sp. z o.o.
- Codemedia S.A.
- Xantus SA

The Group's competencies in the field of innovative technologies cover the following:

- bespoke applications – providing applications tailored to customers' specific needs (turn-key solutions),
- outsourcing – delegation of IT personnel – project support for customers,
- mobile solutions – providing dedicated software for mobile devices (chiefly mobile phones and smartphones),
- web portals – implementation of corporate web applications and intranet portals, and usability testing,
- GIS systems – 2D and 3D mapping data processing,
- telemedicine services for seniors.

The Issuer provides services related to innovative technologies through SMT Software S.A. and its subsidiaries: Traffic Info Sp. z o.o., iAlbatros S.A., and MobiCare Sp. z o.o.

Business activities in the e-commerce segment involve the support of on-line sales through:
- developing on-line sales strategies,
- implementing success fee-based on-line sales programmes,
- unique, proprietary affiliation system 2.0 – the first tool of its kind in the world.

Activities in the area of e-commerce is carried out by the Issuer with the Associate Company Iweii SA

Composition of the Management Board:
Konrad Pankiewicz – President of the Management Board
Kamila Karpińska – Member of the Management Board

Adam Kuszyk – Member of the Management Board

Skład Rady Nadzorczej:
Rafał Jelonek – President of the Supervisory Board
Piotr Sulima – Vice President of the Supervisory Board
Jakub Bartkiewicz – Member of Supervisory Board
Przemysław Kruszyński – Member of Supervisory Board
Jakub Deryng-Dymitrowicz – Member of the Supervisory Board

Subsidiaries:

SMT Software S.A.
Location: Marszałka Józefa Piłsudskiego 13, 50-048 Wroclaw

Business profile: technology company offering programming and outsourcing services, and developing its own dedicated systems and services (for the logistics and leasing industries).

Composition of the Management Board:
Sebastian Łękawa – CEO, President of the Management Board
Szymon Pura – Member of the Management Board
Emilian Półrolnik – Member of the Management Board.

Composition of the Supervisory Board:
Konrad Pankiewicz – Chairman of the Supervisory Board
Michał Ogierman – Deputy Chairman of the Supervisory Board
Sławomir Nowak – Member of the Supervisory Board
Tomasz Frątczak – Member of the Supervisory Board
Adam Kuszyk – Member of the Supervisory Board.

Codemedia S.A.
Headquarters: 02 – 683 Warszawa, Gotarda 9

Business profile: interactive media agency; owns the ThinkOpen brand covering services related to interactive marketing, in particular e-mail marketing used in sales activities, communication with customers, building loyalty and promotion of products and services.

Composition of the Management Board:
Piotr Bieńko – CEO, President of the Management Board
Łucja Gdala – Member of the Management Board
Anna Gruszka – Member of the Management Board.

Composition of the Supervisory Board:
Sławomir Kornicki – Chairman of the Supervisory Board
Robert Wist – Member of the Supervisory Board
Konrad Pankiewicz – Member of the Supervisory Board
Kamila Karpińska – Member of the Supervisory Board
Adam Kuszyk – Member of the Supervisory Board.

Lemon Sky Sp. z o.o. (previously Adv.pl Sp z o.o.)
Location: Fabryczna 19, 53-609 Wrocław

Business profile: digital agency; owns Weblocus, a specialist brand associated with browser-based marketing.

Composition of the Management Board:
Magdalena Surowiec – CEO, President of the Management Board
Beata Turlejska-Zduńczyk – Vice-President of the Management Board

Composition of the Supervisory Board:
The company has no supervisory board.

Xantus S.A.
Location: Fabryczna 19, 53-609 Wrocław

Business profile: company specialising in production of animated series, TV commercials, computer-generated visual effects (VFX) and motion design solutions. Xantus also offers unique IT solutions in advertising, advanced multimedia projects and movies

Composition of the Management Board:
Krzysztof Czerwiński – President of the Management Board

Composition of the Supervisory Board:
Przemysław Kruszyński – Chairman of the Supervisory Board
Paweł Chmielewski – Member of the Supervisory Board
Rafał Dziedzic – Member of the Supervisory Board

AdvFinance Sp. z o.o.
Location: ul. Świętojańska 9/4, 81-368 Gdynia

Business profile: company established to increase the efficiency of financial and accounting functions at the ADV Group.

Composition of the Management Board:
Agnieszka Przybyt – CEO, President of the Management Board.

Composition of the Supervisory Board:
Kamila Karpińska – Chairwoman of the Supervisory Board
Konrad Pankiewicz – Member of the Supervisory Board.

Traffic Info Sp. z o.o.
Location: Marszałka Józefa Piłsudskiego 13, 50-048 Warszawa

Business profile: service company, operates a website providing up-to-date feeds on road traffic conditions.

Composition of the Management Board:
Tomasz Frątczak – CEO, President of the Management Board
Szymon Pura – Member of the Management Board.

Composition of the Supervisory Board:
The company has no supervisory board.

MobiCare S.A.
Location: Dominikańska 25a, 02-738 Warszawa

The Parent holds a 28.18% interest in MobiCare S.A.'s share capital.

Business profile: provides telemonitoring and telecare medical services using the GPS technology, mobile phones and a dedicated call centre, based on the upgraded version of the SATIS system.

Composition of the Management Board:
Marek Kubicki – CEO, President of the Management Board
Daniel Kaczmarek – Member of the Management Board.

Composition of the Supervisory Board:
Szymon Pura – Chairman of the Supervisory Board
Paweł Kubicki – Deputy Chairman of the Supervisory Board
Maciej Stańczuk – Member of the Supervisory Board
Tomasz Frątczak – Member of the Supervisory Board
Tomasz Krześniak – Member of the Supervisory Board.

TradeTracker Sp z o.o.
Siedziba: 02-683 Warszawa ul. Gotarda 9

The Parent holds a 37,13 % interest in TradeTracker Sp. z o.o.'s share capital.

Business profile: the company currently builds its affiliation network.

Composition of the Management Board:
Justyna Spytek – CEO, President of the Management Board.

Composition of the Supervisory Board:
The company has no supervisory board.

iAlbatros S.A.
Location: Dominikańska 25a, 02-738 Warszawa

The Parent holds a 28.50% interest in iAlbatros S.A.'s share capital.

Business profile: service company responsible for launch of an innovative web-based service for corporations and travel agencies, facilitating organisation of business trips and, in particular, hotel bookings in a cost-effective manner.

Composition of the Management Board:
Moncef Khanfir – CEO, President of the Management Board
Szymon Pura – Member of the Management Board.

Composition of the Supervisory Board:
Tomasz Frątczak – Chairman of the Supervisory Board
Wojciech Bodnaruś – Member of the Supervisory Board
Tomasz Krześniak – Member of the Supervisory Board.

Trade Merketing Poland Sp z o.o.
Location: 02 – 683 Warszawa, Gotarda 9

Parent holds 74% in company's share capital

Business profile: service company offering trade marketingu directly supporting sale of the products in retail and ecommerce.

Composition of the Management Board:
Arkadiusz Białek - CEO, President of the Management Board

Composition of the Supervisory Board:
The company has no supervisory board.

Offiliate Sp z o.o.
Location: 02 – 683 Warszawa, Gotarda 9

Parent holds 51,98% in company's share capital

Business profile: service company offering outsorcing of sales and sales suport in conventional channels
Spółka oferująca outsourcing sprzedaży oraz wsparcie sprzedaży w kanałach tradycyjnych.

Composition of the Management Board:

Agnieszka Stelmaszyk – CEO, President of the Management Board
Łucja Gdala – Member of the Supervisory Board

Composition of the Supervisory Board:
The company has no supervisory board.

Associates:

Iweii S.A.
Registered: ul. Świętojańska 9/4, 81-368 Gdynia

The Parent holds a 33.48% interest in Iweii S.A.'s share capital.

Business profile: the company is active in the affiliate marketing segment of the e-commerce industry; operates poznajomosci.pl portal; the company's subsidiary is Iweii Online Solutions Limited of Dublin (Ireland), established as part of the plans to expand into foreign markets and in connection with the implemented operating model of the poznajomosci.pl portal.

Composition of the Management Board:
Adam Kuszyk – CEO, President of the Management Board.

Composition of the Supervisory Board:
Bartosz Kąkol – Chairman of the Supervisory Board
Mariusz Sokołowski – Member of the Supervisory Board
Kamila Karpińska – Member of the Supervisory Board
Konrad Pankiewicz – Member of the Supervisory Board.

iAlbatros S.A.
Registered: ul. Dominikańska 25a, 02-738 Warszawa

The Parent holds a 28.50% interest in iAlbatros S.A.'s share capital.

Business profile: service company responsible for launch of an innovative web-based service for corporations and travel agencies, facilitating organisation of business trips and, in particular, hotel bookings in a cost-effective manner.

Composition of the Management Board:
Moncef Khanfir – CEO, President of the Management Board
Szymon Pura – Member of the Management Board.

Composition of the Supervisory Board:
Tomasz Frątczak – Chairman of the Supervisory Board
Wojciech Bodnaruś – Member of the Supervisory Board
Tomasz Krześniak – Member of the Supervisory Board.

MobiCare S.A.
Registered: ul. Dominikańska 25a, 02-738 Warszawa

The Parent holds a 28.18% interest in MobiCare S.A.'s share capital.

Business profile: provides telemonitoring and telecare medical services using the GPS technology, mobile phones and a dedicated call centre, based on the upgraded version of the SATIS system.

Composition of the Management Board:
Marek Kubicki – CEO, President of the Management Board
Daniel Kaczmarek – Member of the Management Board.

Composition of the Supervisory Board:
Szymon Pura – Chairman of the Supervisory Board

Paweł Kubicki – Deputy Chairman of the Supervisory Board
Maciej Stańczuk – Member of the Supervisory Board
Tomasz Frątczak – Member of the Supervisory Board
Tomasz Krześniak – Member of the Supervisory Board.

Ofens Sp z o.o.
Registered: 53-609 Wrocław ul. Fabryczna 19

The Parent holds a 33.79% interest in Ofens Sp. z o.o.'s share capital.

Business profile: operates ofens.pl thematic website devoted to football. The website is a social networking service gathering fans of this sport.

Composition of the Management Board:
Jakub Deryng-Dymitrowicz – CEO, President of the Management Board.

Composition of the Supervisory Board:
The company has no supervisory board.

Claire Multimedia International S.A.
Registered: 53-609 Wrocław ul. Fabryczna 19

The Parent holds a 25% interest in Claire Multimedia International S.A.'s share capital.

Business profile: provides educational content for children and the youth. The company's offering includes videos designed for use in English language learning.

Composition of the Management Board:
Waldemar Miksa – CEO, President of the Management Board
Przemysław Kruszyński – Vice-President of the Management Board.

Composition of the Supervisory Board:
Jakub Deryng-Dymitrowicz – Chairman of the Supervisory Board
Claire Selby – Deputy Chairwoman of the Supervisory Board
Zbigniew Fornal – Member of the Supervisory Board
Michał Dusiński – Member of the Supervisory Board.

Iweii Online Solutions Limited
Registered: 37 Fitzwilliam Place Dublin 2 Irland

The Parent holds a 33.48% interest in Iweii Online Solutions Limited's share capital.

Business profile: established as part of plans to expand Iweii.com's reach into foreign markets and in connection with the implemented operating model of the poznajomosci.pl website.

Composition of the Management Board:
Renata Kornicka – Managing Director
Małgorzata Gromadzinska – Director.

Composition of the Supervisory Board: The company has no supervisory board.

TradeTracker Sp z o.o.
Registered: 02-683 Warszawa ul. Gotarda 9
The Parent holds a 39.5% interest in TradeTracker Sp. z o.o.'s share capital.

Business profile: the company currently builds its affiliation network.

Composition of the Management Board:
Justyna Spytek – CEO, President of the Management Board.

Composition of the Supervisory Board:
The company has no supervisory board.

1.2 Changes in share capital

In the first 3 qurtes 2012, there were no changes in the Parent's share capital.

1.3 Public offering of the Company shares

There was no public offer n first hald of the year.

1.4 Shareholders holding, directly or indirectly, 5% or more of the total vote at the General Meeting of the Company as at the date of the report, including information on the number of shares held by those shareholders, their interests in the Company's share capital, the resulting number of votes at the General Meeting and their share in the total vote at the General Meeting, and any changes in the ownership structure of major holdings of the Company shares after the publication of the previous quarterly report

Shareholders holding 5% or more of the total vote at the General Meeting as at September 30, 2012

Shareholders holding 5% or more of the total vote at the General Meeting as at June 30, 2012

Shareholder	Shares	Votes	Shares	Votes
Lebowitz & Partners Limited	1 027 321	1 027 321	14,68%	14,68%
Blue Ceriana Limited	887 447	887 447	12,68%	12,68%
Amplico PTE S.A.	764 000	764 000	10,91%	10,91%
Agencja Reklamowa Czart Sp zo.o.	630 000	630 000	9,00%	9,00%
Investrors TFI S.A.	628 800	628 800	8,98%	8,98%
Jethas Holdings Limited	549 511	549 511	7,85%	7,85%
Pekao Pioneer PTE S.A.	510 000	510 000	7,29%	7,29%
Noble Funds FIO	387 000	387 000	5,53%	5,53%

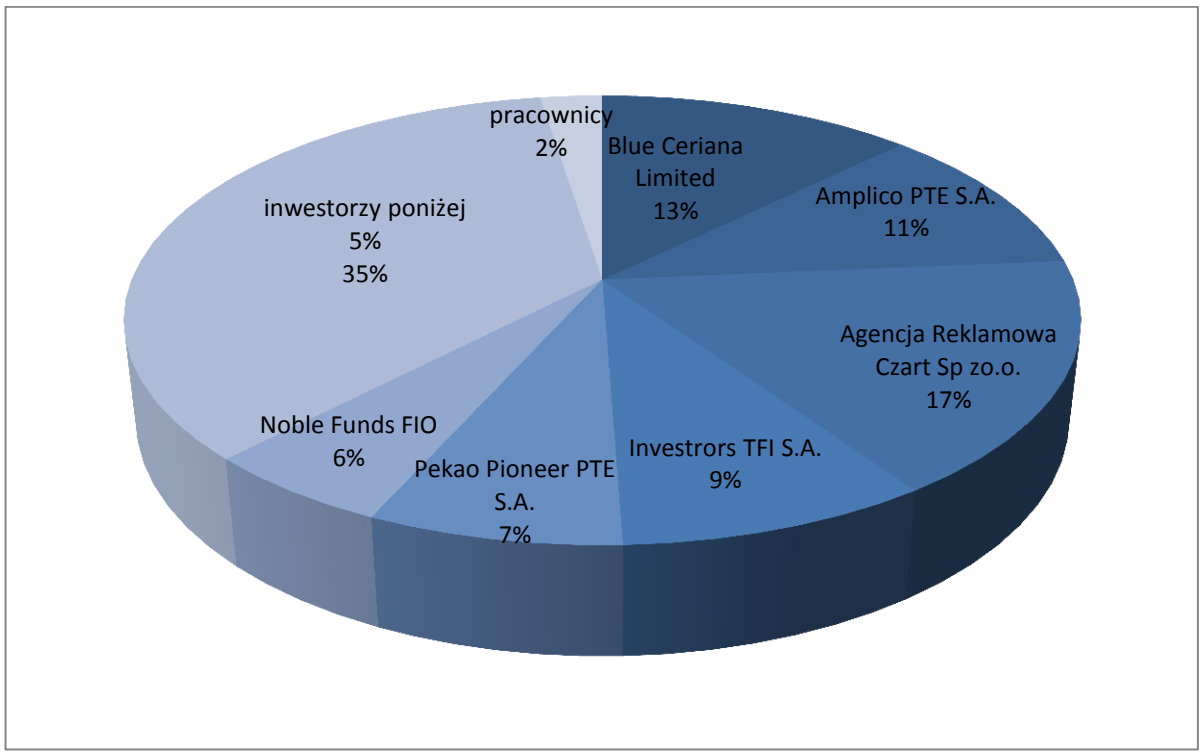
Shareholders holding 5% or more of the total vote at the General Meeting as at the date of publication of the H1 2012 report, i.e. as at August 31th, 2012

Shareholder	Shares	Votes	Shares	Votes
Blue Ceriana Limited	887 447	887 447	13%	13%
Amplico PTE S.A.	764 000	764 000	11%	11%
Agencja Reklamowa Czart Sp zo.o.	1 179 511	1 179 511	17%	17%
Investrors TFI S.A.	628 800	628 800	9%	9%
Pekao Pioneer PTE S.A.	510 000	510 000	7%	7%
Noble Funds FIO	387 000	387 000	6%	6%

Shareholders and votes strucutre at the General Meeting as at the date of publication of the Q3 2012 report, i.e. as at November 14th, 2012

Shareholder	Shares	Votes	Shares	Votes
Blue Ceriana Limited	887 447	887 447	12,68%	12,68%
Amplico PTE S.A.	764 000	764 000	10,91%	10,91%
Agencja Reklamowa Czart Sp zo.o.	1 179 511	1 179 511	16,85%	16,85%
Investrors TFI S.A.	628 800	628 800	8,98%	8,98%
Pekao Pioneer PTE S.A.	510 000	510 000	7,29%	7,29%
Noble Funds FIO	387 000	387 000	5,53%	5,53%
Shareholders under 5%	2 468 194	2 468 194	35,26%	35,26%
Employees	175 048	175 048	2,50%	2,50%
total	**7 000 000**	**7 000 000**	**100,00%**	**100,00%**

chart: Voting structure at the General Meeting as at the date of this report



1.5 Number of Company shares or rights to Company shares held by members of the Company's Management and Supervisory Boards as at the date of release of this report, separately for each person, including changes in their holdings which occurred after the date of the previous report

To the best of the Parent's knowledge, the following changes occurred in the holdings of Grupa ADV shares by members of the Parent's Management and Supervisory Boards between the date of release of Q2 report and the date of release of Q3 report.

Imię i nazwisko	Funkcja	As at the date of release of the Q3 2012 report August 30, 2012	As at the date of release of the Q3 2012 report November 14, 2012
Konrad Pankiewicz	President of Management Board	887 447 indirect ownership	887 447 indirect ownership
Kamila Karpińska	Member of the Management Board	64 402	-

1.5 Information on pending court, arbitration or administration proceedings

Not applicable

1.6 Information on related-party transaction(s) executed by the Company or its subsidiary

For information on related-party transactions (in PLN '000), see notes to the financial statements above.

1.7 Issue, redemtion and repayment of debt and equity securities

1st July – 30th September 2012 there were no emision, redemption or repayment of both debt and equity securities . As at 30.06.2012 intrest was charged and paid on obligations issued in December 2010 and November 2011. This interest has been recognized in finance costs in the amount of 485 thousand PLN.

1.8 Dividends paid

No dividends were paid

1.9 Changes in the Group's structure, including changes resulting from mergers, acquisitions or disposals of the Group undertakings, long-term investments, demergers, restructuring or discontinued operations

1.07.2012 – 30.09.2012 , there were none in this period

1.10 Brief description of major successes and failures of the ADV Group in Q3 2012, with a list of related key events.

1.11 Material commercial contracts

1.07.2012 – 30.09.2012, the Group did not enter into any material commercial contracts..

1.11.1 Other events with a bearing on the Group's growth prospects

04.07.2012 - Tender won by a subsidiary
The Management Board of Grupa ADV S.A. of Gdynia ("Issuer") hereby reports that onJuly 3rd 2012 it received information about a contract win by subsidiary iAlbatros SAS ofParis.
The tender announced by Centre National de la Recherche Scientifique (National Centrefor Scientific Research, CNRS) was for the provision of iAlbatros software-supported hotel,booking agency services and the services of a dedicated travel information call centre. The contract awarded is to run for three years and its estimated annual value totals EUR 5,000,000. It is to be carried out in a consortium with KLEE, a shareholder in iAlbatros. Grupa ADV S.A. holds 52.16% of the shares and votes in SMT Software S.A. of Wrocław, which in turn holds 55.63% of the shares and votes in iAlbatros S.A. of Warsaw. iAlbatros S.A. holds 100% of the shares and votes in iAlbatros SAS of Paris.

06.07.2012
On July 4th 2012 Agencja Reklamowa CzART Sp. z o.o. purchased 549,511 bearer shares in Grupa ADV S.A. in an off-session block transaction on the WSE regulated market. Prior to the transaction, Agencja Reklamowa CzART Sp. z o.o. held 630,000 bearer shares in Grupa ADV S.A., representing 9.00% of the Issuer's share capital and conferring the right to 630,000 votes at the General Meeting. Following the transaction, Agencja Reklamowa CzART Sp. z o.o. holds 1,179,511 bearer shares in Grupa ADV S.A., which represent 16.85% of the Issuer's share capital and confer the right to 1,179,511 votes, or 16.85% of the total vote, at the General Meeting. Furthermore, Agencja Reklamowa CzART Sp. z o.o. admitted the possibility that within the next 12 months it may, directly or indirectly, increase or decrease its shareholding in the Company. Agencja Reklamowa CzART Sp z o.o. has also informed the Company that its subsidiaries hold no shares in Grupa ADV S.A. and that Agencja Reklamowa CzART Sp zo.o. has not entered into any agreement or arrangement whereunder it would be obliged to transfer any voting rights in the Company.

10.07.2012 – Notification from a shareholder
The Management Board of Grupa ADV S.A. reports that on July 10th 2012 it received a notification from Jethas Holdings Limited, reading as follows: "Acting on behalf of Jethas Holdings Limited, a company incorporated under the laws of Cyprus, entered in the Cypriot Company Register under entry No. HE 278176 ("Jethas"), in performance of the obligation stipulated by Art. 69.1.2) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005 (Dz.U. No. 184, item 1539, as amended) (the "Act"), we would like to inform you that Jethas' interest in total voting rights in Grupa ADV S.A. of Gdynia, entered in the Register of Entrepreneurs of the National Court Register under entry No. KRS 0000286369 (the "Company"), has fallen below 5% of the total voting rights in the Company. The interest in total voting rights in the Company has decreased following the execution on July 4th 2012 of a share sale agreement relating to Company shares, whereunder Jethas sold 549,511 (five

hundred and forty-nine thousand, five hundred and eleven) ordinary bearer shares in the Company, traded on a regulated market. Prior to the change, Jethas held directly 549,511 (five hundred and forty-nine thousand, five hundred and eleven) ordinary bearer shares in the Company, representing 7.85% of the Company's share capital and directly conferring the right to 549,511 (five hundred and fortynine thousand, five hundred and eleven) votes at the Company's General Meeting, which represented 7.85% of the total vote in the Company. Jethas reports that it currently does not directly hold any shares in the Company. Jethas would also like to inform you that its subsidiaries hold no shares in the Company and that Jethas has not entered into any agreement or arrangement whereunder it would be obliged to transfer any voting rights in the Company."

12.07.2012 – Appointment of a Member of the Management Board

Adam Kuszyk has been appointed as Member of the Grupa ADV Management Board. The appointment was effected in pursuance of Resolution No. 3/7/2012 adopted by the Supervisory Board on July 11th 2012. Adam Kuszyk assumed his office on July 11th 2012.

7.09.2012 - Resolution on introduction of Series A2 bearer bonds to the alternative trading system on the Catalyst market

On September 5th 2012 the Management Board of the Warsaw Stock Exchange (the "WSE") adopted Resolution No. 881/2012 to introduce to the alternative trading system on the Catalyst market 4,000 (four thousand) Series A2 bearer bonds of the Issuer with a par value of PLN 1,000 (one thousand złoty) per bond.Introduction of the bonds to alternative trading system fulfils the condition for their registration with the Polish National Depository for Securities (the “Polish NDS”), as provided for in Resolution No. 542/12 of the Management Board of the Polish NDS dated July 23rd 2012.

20.09.2012 - Designation of the first listing date for Series A2 bonds

On September 19th 2012 the Management Board of the Warsaw Stock Exchange (the "WSE") adopted Resolution No. 932/2012 in which it designated September 20th 2012 as the first date of listing in the alternative trading system on the Catalyst market for 4,000 (four thousand) A2 bearer bonds of the Issuer with a par value of PLN 1,000 (one thousand złoty) per bond, which were assigned by the Polish National Depository for Securities (the "Polish NDS") with code No. PLADVPL00037.

2 OVERVIEW OF THE GROUP’S BUSINESS

2.1 Operating segments

The following operating segments have been identified based on the type of business activities carried out by the individual Group companies:

- **digital communication** (Grupa ADV S.A., Adv.pl Sp. z o.o.; Codemedia S.A.; Mediasense Sp. z o.o.; MAT Sp. z o.o. and Xantus S.A)
- **innovative technologies** (SMT Software S.A.)
- **other** (AdvFinance Sp. z o.o.).

The accounting policies applied with respect to individual operating segments are consistent with the policies applied throughout the Group, as described above.

Revenue and profit data reported by individual operating segments (in złotys thousands) are presented in the notes to these financial statements.

2.2 Key risks and threats to the ADV Group

Risk related to the absence of long-term commercial contracts

The Issuer conducts business activities (provides services) based on orders from customers, without entering into material long-term commercial contracts. The Group companies are parties to framework contracts, which however provide no guarantee that customer orders will be received on a regular basis. SMT Software S.A. is less exposed to the risk as it has long-term cooperation agreements executed with a number of business partners. The absence of long-term contracts may be a constraint in organising the business, may adversely affect the ability to optimally plan the business, and may from time to time adversely affect the Issuer's financial performance.

In the past experience of the Issuer and the Group subsidiaries, the majority of short-term framework contracts and cooperation agreements (mostly with the duration of one year) were renewed for further periods. The uninterrupted cooperation with business partners who continue trading with the Group may be taken to suggest that there is no threat of business disruption.

Risk of loss of management staff and key personnel

In common with other companies from the e-commerce sector, the Issuer and its subsidiaries rely on qualified management staff and employees. Certain efforts taken by competitors from the e-commerce and related industries may pose a risk of the Issuer and its subsidiaries losing key personnel and managing persons, which may adversely affect the quality and timeliness of the services provided or the adequacy of contracts concluded with business partners. Competition among employers in the advertising and e-marketing sectors may contribute to higher employment costs, reflected in the Issuer's and the Group subsidiaries' financial performance.

A similar risk comes from companies domiciled abroad, which hire away top talent.

The Issuer and the Group subsidiaries undertake certain mitigation measures, such as a long-term employment policy (implemented by offering indefinite employment contracts), an incentive-based compensation system, promotion opportunities, and fostering good manager-employee relations.

The Issuer provides its employees with an opportunity to acquire shares in the Company, making the share ownership conditional upon undertaking obligations which guarantee continued cooperation with the Issuer (including lock-up agreements).

Risks associated with intragroup transactions

Under the effective tax laws, the Issuer and its subsidiaries need to apply arm's length market prices in intragroup transactions. The prices may be questioned by tax authorities should a suspicion arise that they are not market prices. No transaction price setting arrangements, as defined in Art. 20a et seq. of the Tax Act of August 29th 1997, have been made with competent tax authorities, which would largely help minimise the risk.

In their contractual relations, the Issuer and its subsidiaries take particular care when setting intragroup transaction prices to ensure that they reflect market prices.

Risk of changes in laws and regulations, their interpretation or application

The Polish legal system is rapidly changing, mainly as a result of the efforts to adjust the national legislation to the EU law. Some regulatory changes are driven by the need to adapt legislation to the changing business conditions,

although they often serve specific, transient business, social or political agendas. Regulatory changes, notably those pertaining to commercial law, as well as legislative amendments with an immediate impact on the e-marketing and advertising markets may affect the Issuer's business and its efficiency. Adverse outcomes of changes to the existing laws and regulations (or even changes to their interpretation or application) affecting business activities carried out by the Issuer and/or its subsidiaries may include higher operating costs, lower margins and/or lower profitability, certain administrative or technical restrictions, and the need to secure additional permits or approvals. The changeability of the legal system may hinder reliable assessment of outcomes of future events or upset the economic decision-making process. Hence regulatory changes may, although they do not have to, adversely affect business activities and functioning of the Issuer or the Group subsidiaries.

Risk associated with instability of the Polish tax system

A major risk related to the Company's overall legal environment is connected with possible changes in the tax legislation and the general instability of the Polish tax system. Tax laws are frequently changed on an ad-hoc basis to achieve specific objectives, often in the course of a fiscal year or shortly before the beginning of a new fiscal year. Tax regulations are both highly complicated and not fully harmonised. There are plenty of varying interpretations of tax laws, which are sometimes mutually exclusive. Due to the absence of a unambiguous legal framework, inconsistent practices followed by tax authorities as well as divergent interpretations of tax laws, businesses operating in Poland are exposed to increased tax risk. This may directly affect Grupa ADV and companies of its Group, and have a bearing on their business prospects.

Risk arising from unforeseen events

The operations of Grupa ADV and/or companies of its Group may be disrupted by the possible occurrence of unforeseen events amounting to force majeure, including but not limited to terrorist attacks, extreme weather events, natural disasters, widespread civil disturbance or strike. While it is virtually impossible to assess the consequences of such events in advance, their occurrence may force the Company to temporarily limit or suspend its business activities, or incur additional operating expenses and higher insurance premiums.

Competition risk

The market of e-marketing and advertising services is already an intensely competitive one. It is to be expected that it will attract even more players in the coming years, especially large international advertising agencies and e-marketing firms. This will force the Company to continually upgrade its services, look for new ways of reaching consumers with advertising messages and tailor its offering to the needs of customers.

Factors and events, especially of non-recurring nature, with material effect on the Group's financial performance

The Parent's Management Board is not aware of any non-recurring events that would have a material effect on the Group's financial performance.

Information on seasonal and cyclical changes in the Group's operations

- Spending schedules for customers' marketing budgets in the case of the subsidiaries operating in the area of integrated digital communications (Adv.pl Sp. z o.o., Codemedia S.A., Mediasense Sp. z o.o., MAT Sp. z o.o.);
- Spending schedules for customers' IT investment budgets and the need to start using new solutions from the beginning of a new year in the case of SMT Software S.A., operating in the sector of IT technologies.

  Due to the seasonality effect attributable to those factors, reflected in higher revenues and profits in the fourth quarter of each year compared with the remaining quarters, historically the ADV Group's consolidated financial performance has always improved in Q4.

  The seasonal revenue spike seen in the last quarter of each year is a recurring factor, the causes of which are known to the Parent and can been explained as follows:
    - In the case of the subsidiaries active in the area of integrated digital communications, seasonality is due to the implementation of customers' budgets, which normally span one-year periods (from January to December) – funds unused in the first three quarters are spent in the last quarter;
    - In the case of the subsidiary operating in the sector of IT technologies (SMT Software S.A.) the number of executed contracts is roughly comparable in each quarter of a year, but invoicing is largely made in Q4. This is due to arrangements with customers.

2.3 Events subsequent to the date of the condensed quarterly financial statements not disclosed in the financial statements but potentially significant for future financial performance

On October 10th 2012 Regional Court for Wroclaw – Fabryczna in Wroclaw, VI Economic Department KRS, issued a decision about registering change of a legal form of Lemon Sky from Lemon Sky Comapany with Limited Liability to Lemon Sky Sky Comapany with Limited Liability Limited Joint Stock Company.

On October 31st The Management Board of ADV Group SA announced the convening of EGM as at 26.11.2012. Among other things an increase of share capital of ADV Group through issuing shares for Codemedia SA and SMT Software SA shareholders will be examined then.

The primary purpose of issuing shares of D series under contribution share of SMT Software SA and Codemedia SA is 100% consolidation of the minority of most profitable businesses performance of the company. At the same time, both SMT Software SA and S.A. Codemedia are subsidiaries with the highest rate of growth in revenues and EBITDA out of all the entities in the capital group.
In the opinion of the Management Board endorsed by the Subsidiaries Management opinions (SMT Software SA and Codemedia SA) the action planned will translate into cost synergies, better and more efficient service in the area of business support processes. In large part it will also, influence even faster growth in revenues and EBITDA in the segments of technology, media and e-commerce, which should translate into an increase in the Company's consolidated EPS. Management believes that the effect of the proposed action will increase the Company's revenues from e-commerce segment by generating benefits arising from the intersection of competence and experience in the field of media and technology.

1.6 Information on loan or borrowing sureties or guarantees issued by the Company or its subsidiaries – jointly to a single entity or its subsidiary

Contingent liabilities, including sureties, guarantees, and promissory note guarantees issued by the Parent (end of Q3 2012)

Type of liability	Creditor	Value	Expiry date
TO RELATED ENTITIES			
Promissory note guarantee for a loan agreement	Adv.pl Sp. z o.o. / Fortis Bank Polska S.A.	1.200 000,00	02.08.2023
Promissory note guarantee for a loan agreement	Codemedia S.A/ Fortis Bank Polska S.A.	5.250.000,00	02.08.2023
TO OTHER ENTITIES – none			
Total contingent liabilities		7 560 000,00	

1.7 **Management Board's position on the feasibility of meeting performance forecasts published earlier for a given year in the light of the results presented in the quarterly report as compared with the forecast**

The Parent did not publish any performance forecasts for 2012.

1.8 Other information which is, in the opinion of the Company, relevant for the assessment of its workforce, assets, financial standing and financial performance, as well as changes in any of the foregoing, and information relevant for the assessment of the Group's ability to fulfil its obligations

11.07.2012 The Supervisory Board appointed Adam Kuszyk – CFO to Management Board

The appointment was pursuant to a resolution of the Supervisory Board No. 03/07/2012 dated 11 July 2012. Adam Kuszyk took office on July 11, 2012. Since August 2011Adam Kuszyk is a finantial director of ADV Group SA. He deals with financial and managerial reporting, cost optimization as well as profitability maximization and thereby maximization of ADV Group's value. Key assignments of Adam Kuszyk as a member of the Management Boardinclude inter alia ensuring liquidity and coordination of activities related to the functioning of the Group companies on the capital market. For the past 10 years Adam Kuszyk has been holding managerial positions in companies of both Polish and foreign capital. During his long career he gained experience in companies from FMCG sector, manufacturing industry and financial consulting. In addition the new financial director of ADV Group previously held managerial positions in entities from new technologies and media sectors. Adam Kuszyk was also a CFO in companies such as ROLMEX Capital Group (2009-2011), SA GEN-BUD (2008-2009), CR Media (2006-2007). He also gained experience as a manager in a financial consulting company BDO Numerica SA (2008) and as a Director of Internal Audit and Business Controller at Agora Group (2003-2005). He began his career at Deloitte (1997-2002) moving from the position of an assistant to a supervisor. Adam Kuszyk graduated from Warsaw School of Economics (managerial studies) and Lodz University (Management and Marketing - specialization controlling), he is a Chartered Accountant and Certified Internal Auditor (CIA) as well as in the process of obtaining ACCA license. Adam Kuszyk doesn not conduct any activity outside of the Issuer, which would be in a competitive business, and does not participate in any competitive company as a partner in a civil partnership or as a member of the company's competitive capital or as any member of the body of a legal person.

He is also not listed in the Insolvent Debtors Registry maintained pursuant to the Act on the National Registry Court.

1.9 Factors which in the Issuer's opinion will affect its performance at least in the next quarter

Crucial to the future performance of ADV SA Group will be a decision made by EGM which will be held 26.11.2012 what is written about in paragraph 2.5 of this report. Consolidation of the Group's key companies: SMT Software SA and Codemedia SA at the level (in the first stage) of 90% will significantly increase ADV Group SA result. Currently ADV Group SA consolidates 50% of SMT Software SA and 74% of Codemedia SA results.

Konrad Pankiewicz President of the Management Board	Kamila Karpińska Member of the Management Board	Adam Kuszyk Member of the Management Board

Gdynia, September 30, 2012