

Current Report No. 26/2014

Drawn up on: 25 November 2014

Subject: Non-participation by Midas Group entities in an auction for a reservation of frequencies in the 800 MHz and 2.6 GHz ranges.

Legal basis: Article 56 par. 5 of the Public Offering Act - update of information

Content of the report:

With reference to information conveyed in the Consolidated Quarterly Report for the period of 3 and 9 months ending on 30 September 2014 (Q3/2014), the Management Board of Midas S.A. with its registered office in Warsaw (the "Company", "Midas") announces that after carrying out initial analyses, including with the participation of Polkomtel Sp. z o.o., the Midas Group did not take part in the auction announced by the President of the Office of Electronic Communications for a reservation of frequencies in the 800 MHz and 2.6 GHz ranges (the "Auction"). In the Management Board's assessment, the right to frequencies in the 800 MHz range can be obtained in a manner other than through direct participation in the Auction.

The Management Board of the Company therefore continues to maintain its position expressed in QSr 3/2014, that in order to build long-term goodwill of the Company and remain competitive on the market for wholesale access to broadband telecommunications services, mainly by providing the Midas Group's customers with complementary coverage in Poland with broadband internet access services, the Midas Group's strategy needs to be updated to include the need for the Midas Group to become involved in Project 800 (understood as an investment in infrastructure used in providing broadband mobile internet access using frequencies in the 800 MHz range and obtaining the right to use frequencies in the 800 MHz range). According to the Company, the Midas Group's involvement in implementing Project 800 is eminently possible without taking part in the Auction.

Detailed work is currently being carried out to update the Midas Group's strategy, in particular with respect to the model for implementing the strategy and determining the sources and forms of financing it.