

Current report No. 33/2015

Drawn up on: 24 December 2015

Abbreviated name of the issuer: MIDAS SA

Subject: Disclosure of delayed confidential information about the conducted negotiations and conclusion of a purchase agreement for a controlling interest in Sferia S.A.

Legal basis: Article 56 par. 1 pt. 1 - confidential information

The Management Board of Midas S.A. ("Company") reports that on 8 December 2015, acting pursuant to Article 57 par. 1 of the Act of 29 July 2005 on Public Offering and the Conditions for Admitting Financial Instruments to Organised Trading and on Public Companies ("Act") and Article 2 par. 1 pt. 1 of the regulation of the Minister of Finance of 13 April 2006 on types of information that can infringe justified interests of the issuer and the issuer's actions in relation to a delay in announcing confidential information to the public ("Regulation"), it delayed performance of the obligation specified in Article 56 par. 1 pt. 1 of the Act as regards confidential information.

In relation to cessation of prerequisites included in the Regulation, the Management Board of the Company announces to the public that on 8 December 2015 it made a decision on starting negotiations aimed at acquisition of shares of Sferia S.A. ("Sferia") by the Company or another company belonging to the Midas Capital Group. The Company intends to acquire shares allowing acquisition of control over Sferia and therefore obtaining access to frequencies in the 800 MHz range, which would enable the Midas Group to maintain the highest level of services rendered to companies from the Cyfrowy Polsat Capital Group during validity of Order 4 which was mentioned by the Company in Current Report No. 4/2015, namely until the end of 2018.

The Management Board of the Company also reports that in the late hours of 23 December 2015 the final terms and conditions were determined and transfer agreements were concluded for 1,834,405 shares of Sferia with a nominal value of PLN 100.00 each, representing 51% of the share capital and votes at the general meeting of the company, between Mr. Jacek Szymoński ("Seller 1") and Aero 2 Sp. z o.o. where the Company holds 100% of the shares ("Aero2") and Bithell Holdings Limited ("Seller 2", and jointly with the Seller 1 - "Sellers"), and Aero2 ("Agreements"). The total price Aero2 paid to the Sellers amounted to PLN 121.9 million derived from own resources of Aero2. Pursuant to the concluded Agreements, if Sferia obtains financial compensation due to any dispute concerning delay of the right to effectively use the frequencies held by the company, the purchase price may be increased by the amount arising from that compensation proportional to the shareholding held by the Sellers before the shares' transfer transaction.

Sferia is a telecommunications operator holding the frequency reservations covering the block with a width of 2x5MHz in the range of 800 MHz ("Reservation 800") which is valid until 31 December 2018. In the opinion of the Management Board of Midas, renewal of the validity of Reservation 800 for subsequent periods with the prices implied by the declared high amounts for the 800 MHz band at the auction ended in October 2015 is not economically justified. Analogously, the Midas Group will not be interested in obtaining access to the band in the range of 800 MHz from entities who obtain access to the 800 MHz band at the current high levels of prices, unless it is conducted on the basis of technological and services equivalence. Alternatively, the Company is considering continuation of development of the LTE 1800 MHz network.

In the opinion of the Management Board of the Company, the impact of consolidation of Sferia's results on the consolidated operating result of the Midas Capital Group in 2015 will be insignificant.