

Current report No. 4/2015

Drawn up on: 3 March 2015

Subject: The conclusion by Mobyland of settlement understandings with Polkomtel as well as Polkomtel's submission of order no. 4 for data transmission services

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

With reference to Current Reports No. 15/2012, 56/2012 and 4/2014 concerning the signing by Mobyland Sp. z o.o. ("Mobyland") of understandings and the acceptance of orders for data transmission services from Polkomtel Sp. z o.o. ("Polkomtel"), as well as with reference to Current Report No. 27/2014 concerning entering into negotiations on new conditions of cooperation with respect to telecommunications services relating to data transmission, the Management Board of Midas S.A. (the "Company" announces that it has received notification from Mobyland on the signing by Mobyland on 3 March 2015 of an understanding (the "Understanding") with Polkomtel (a "Party", and jointly with Mobyland the "Parties") and on an order placed by Polkomtel for data transmission services ("Order 4").

The Understanding concluded establishes new conditions of cooperation between Mobyland and Polkomtel:

- The new rate for data transmission services will be PLN 2.40 net for 1 GB.
- The new rate will apply to both newly ordered data packages and to packages which have not been used but were partially paid for under the previous order described in Current Report No. 4/2014.
- The new conditions of cooperation enter into force on 1 January 2015, and the order placed for data transmission services will be in effect for 4 years.
- In the case where Mobyland starts up services on further of its own frequencies or on those to which it obtains a right of use, Mobyland will increase the scope of data transmission services provided to Polkomtel.

On the date of concluding the Understanding, the understanding of 27 March 2014 which the Company reported on in Current Report No. 4/2014 ceases to be valid.

At the same time, Mobyland accepted Order 4 placed by Polkomtel, under which Polkomtel undertook to purchase 1,571.68 million GB at a unit price of PLN 2.40 net for 1 GB. The total value of the order is PLN 3,772.04 million (three billion seven hundred seventy-two million and forty thousand zlotys), of which PLN 144.56 million resulting from a surplus pre-paid by Polkomtel and actual use under the previous order will be calculated as an advanced payment against Order 4.

Order 4 will be paid by Polkomtel in the following manner:

- a) PLN 119.25 net - for the first quarter of 2015, in 3 equal monthly instalments
- b) PLN 132.00 net - for the second quarter of 2015, in 3 equal monthly instalments
- c) PLN 245.00 net - for the third quarter of 2015, in 3 equal monthly instalments
- d) PLN 354.00 net - for the fourth quarter of 2015, in 3 equal monthly instalments
- e) PLN 989.31 net - for 2016, in 12 equal monthly instalments

- f) PLN 880.00 net - for 2017, in 12 equal monthly instalments
- g) PLN 907.92 net - for 2018, in 12 equal monthly instalments

On the date of publication of this current report, Order 4 for 1,571.68 million GB with a value of PLN 3,772.04 million exceeds 10 per cent of the equity of the Company, which qualifies Order 4 as a significant agreement. As a result of Mobyland accepting Order 4, the total value of orders and agreements submitted and concluded since 17 December 2014 inclusive by entities from the Midas Capital Group in relation to Polkomtel and other entities from the Cyfrowy Polsat Capital Group amounts to PLN 3,772.23.

In the Company's assessment, as at the date of publication of this current report, the Understanding, the accepted Order 4 and the financing obtained permit the Company to finance involvement in "Project 800".

The final cost of "Project 800" will depend on the quantity of bandwidth available in the 800 Mhz range and on the possible investments resulting from that availability.

At the same time, the Management Board announces that, given the implementation of "Project 800", in updating its strategy the Midas Group will increase the number of locations and base stations comprising the telecommunications network it currently uses, and this will have a significant effect on the Company's performance and cash flow level, particularly over the medium term, through increasing the Company's operating expenses and capital expenditures in connection with developing the LTE 800 network and obtaining the right to the 800 MHz frequency.