The Capital Group
of Midas Spółka Akcyjna

Consolidated quarterly report
for the 3-month and 9-month period ended 30 September 2015

QSr 3/2015

Place and date of publication: Warsaw, 10 November 2015

CONTENT OF THE REPORT:

SELECTED FINANCIAL DATA OF THE MIDAS CAPITAL GROUP

	9-month period ended 30 September 2015 in PLN '000	9-month period ended 30 September 2014 in PLN '000	9-month period ended 30 September 2015 in EUR '000	9-month period ended 30 September 2014 in EUR '000
Revenues from sales	407,713	253,325	98,043	60,599
Loss on operating activities	(134,197)	(177,018)	(32,270)	(42,345)
Loss before taxation	(163,392)	(225,184)	(39,291)	(53,867)
Net loss on continuing operations attributable to shareholders of the Issuer	(147,363)	(221,056)	(35,436)	(52,880)
Net cash flow from operating activities	97,421	(19,801)	23,427	(4,737)
Net cash flow from investing activities	(170,186)	(66,883)	(40,925)	(15,998)
Net cash flow from financing activities	123,840	57,662	29,780	13,794
Average weighted number of shares	1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Basic loss from continuing operations per ordinary share (in PLN)	(0.10)	(0.15)	(0.02)	(0.04)

	As at 30 September 2015 in PLN '000	As at 31 December 2014 in PLN '000	As at 30 September 2015 in EUR '000	As at 31 December 2014 in EUR '000
Total assets	1,509,430	1,394,620	356,115	327,199
Total liabilities	1,212,793	952,351	286,131	223,436
Non-current liabilities	727,107	591,784	171,544	138,841
Current liabilities	485,686	360,567	114,586	84,594
Equity attributable to shareholders of the Issuer	296,637	442,269	69,985	103,763
Share capital	147,967	147,967	34,909	34,715

SELECTED FINANCIAL DATA OF MIDAS S.A.

	9-month period ended 30 September 2015 in PLN ‘000	9-month period ended 30 September 2014 in PLN ‘000	9-month period ended 30 September 2015 in EUR ‘000	9-month period ended 30 September 2014 in EUR ‘000
Revenues from core operating activities	47,921	68,676	11,524	16,428
Profit on operating activities	11,837	8,333	2,846	1,993
Profit before tax	11,850	8,805	2,850	2,106
Net profit on continuing operations attributable to shareholders of the Company	9,587	8,805	2,305	2,106
Net cash flow from operating activities	9,152	(53,757)	2,201	(12,860)
Net cash flow from investing activities	(5,353)	17	(1,287)	4
Net cash flow from financing activities	(4,424)	(4,780)	(1,064)	(1,143)
Average weighted number of shares	1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Basic earnings on continuing operations per ordinary share (in PLN)	0.0065	0.0060	0.00156	0.00142

	As at 30 September 2015 in PLN ‘000	As at 31 December 2014 in PLN ‘000	As at 30 September 2015 in EUR ‘000	As at 31 December 2014 in EUR ‘000
Total assets	1,593,699	1,696,955	375,997	398,131
Total liabilities	360,009	472,852	84,936	110,938
Non-current liabilities	359,701	467,560	84,863	109,697
Current liabilities	308	5,292	73	1,242
Equity attributable to shareholders of the Issuer	1,233,690	1,224,103	291,061	287,193
Share capital	147,967	147,967	34,909	34,715

Selected items from the interim condensed consolidated and interim condensed standalone statements of financial position presented in EUR were converted using the average EUR exchange rate announced by the National Bank of Poland on 30 September 2015: 4.2386 PLN/EUR, and on 31 December 2014 4.2623 PLN/EUR.

Selected items from the interim condensed consolidated and interim condensed non-consolidated statements of comprehensive income and from the interim condensed consolidated and the interim condensed standalone statement of cash flow were converted into EUR using the exchange rate announced by the National Bank of Poland, being the arithmetic mean of average EUR exchange rates which were in effect on the last day of each completed month in the 9-month period ended 30 September 2015 and the 9-month period ended 30 September 2014 (4.1585 PLN/EUR and 4.1803 PLN/EUR respectively).

The Capital Group
of MIDAS Spółka Akcyjna

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3-MONTH AND 9-MONTH PERIOD ENDED 30 SEPTEMBER 2015

TABLE OF CONTENTS

(in PLN '000, except for items otherwise indicated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 9-month period ended 30 September 2015

	Note	3-month period ended 30 September 2015 *(unaudited)*	9-month period ended 30 September 2015 *(unaudited)*	3-month period ended 30 September 2014 *(unaudited)*	9-month period ended 30 September 2014 *(unaudited)*
Continuing operations					
Revenues from the sale of goods and services	7	150,890	407,713	113,979	253,325
Depreciation and amortisation	8.1	(60,752)	(120,566)	(29,411)	(88,803)
Wages and salaries		(1,533)	(4,727)	(1,589)	(5,864)
Costs related to the telecommunications network	8.2	(140,034)	(384,436)	(99,297)	(299,075)
Taxes and charges		(7,374)	(21,202)	(6,063)	(19,850)
Other expenses by type	8.3	(4,127)	(14,576)	(4,977)	(18,911)
Other operating revenues	9	809	4,839	1,207	3,920
Other operating expenses	10	(545)	(1,242)	(1,381)	(1,760)
Loss on operating activities		**(62,666)**	**(134,197)**	**(27,532)**	**(177,018)**
Financial revenues	11	5,471	5,443	4,772	6,671
Financial costs	12	(11,719)	(34,638)	(38,496)	(54,837)
Loss on financial activities		**(6,248)**	**(29,195)**	**(33,724)**	**(48,166)**
Loss before taxation		**(68,914)**	**(163,392)**	**(61,256)**	**(225,184)**
Current income tax	13.1	(8,521)	(8,521)	-	-
Deferred tax	13.2	22,244	24,561	252	4,128
Total income tax		**13,723**	**16,040**	**252**	**4,128**
Net loss on continuing operations		**(55,191)**	**(147,352)**	**(61,004)**	**(221,056)**
Net profit/ (loss) from discontinued operations		-	-	-	-
Net loss		**(55,191)**	**(147,352)**	**(61,004)**	**(221,056)**
Other comprehensive income		-	-	-	-
COMPREHENSIVE LOSS		**(55,191)**	**(147,352)**	**(61,004)**	**(221,056)**
Attributable to:					
ownership interests of shareholders of the parent		(55,202)	(147,363)	(61,004)	(221,056)
non-controlling interests		11	11	-	-
Average weighted number of ordinary shares		1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Net loss on continuing operations per 1 share attributable to shareholders of the parent (in PLN)		(0.04)	(0.10)	(0.04)	(0.15)

Krzysztof Adaszewski /President of the Management Board/ /on behalf of SFERIA Spółka Akcyjna/

Piotr Janik

Teresa Rogala /Vice-President of the Management Board/

(in PLN '000, except for items otherwise indicated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2015

ASSETS	**Note**	**30 September 2015** *(unaudited)*	**31 December 2014**
Non-current assets			
Property, plant and equipment	14	564,237	467,734
Intangible assets	15	547,889	577,082
goodwill of subsidiaries	29	43,221	41,231
value of frequency reservations		487,348	533,712
other intangible assets		17,320	2,139
Other financial assets	18.1	82,524	74,650
Other non-financial assets	18.2	194	13,591
Deferred income tax assets	13	22,249	-
Total non-current assets		**1,217,093**	**1,133,057**
Current assets			
Inventories		339	736
Trade and other receivables	17	166,636	189,297
Other assets		16,510	17,148
Current prepayments		4,327	932
Cash and cash equivalents	16	104,525	53,450
Total current assets		**292,337**	**261,563**
Total assets		**1,509,430**	**1,394,620**

EQUITY AND LIABILITIES	**Note**	**30 September 2015** *(unaudited)*	**31 December 2014**
Equity			
attributable to shareholders of the Company, of which:			
Share capital		147,967	147,967
Supplementary capital		1,140,765	1,140,765
Uncovered losses		(993,826)	(846,463)
Accumulated losses		(846,463)	(525,606)
Loss for the current period		(147,363)	(320,857)
Non-controlling interests		**1,731**	**-**
Total equity		**296,637**	**442,269**
Non-current liabilities			
Borrowings	20	279,181	160,794
Liabilities from issue of bonds	22	355,431	328,054
Deferred income	21	19,332	33,325
Provisions	19	20,383	14,519
Deferred tax liability		52,780	55,092
Total non-current liabilities		**727,107**	**591,784**
Current liabilities			
Trade and other liabilities	26	128,583	161,689
Deferred income	21	282,479	150,973
Borrowings	20	66,103	47,905
Deferred tax liabilities		8,521	-
Total current liabilities		**485,686**	**360,567**
Total equity and liabilities		**1,509,430**	**1,394,620**

Krzysztof Adaszewski /President of the Management Board/ /on behalf of SFERIA Spółka Akcyjna/

Piotr Janik

Teresa Rogala

/Vice-President of the Management Board/

(in PLN '000, except for items otherwise indicated)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the 9-month period ended 30 September 2015

	Note	9-month period ended 30 September 2015 *(unaudited)*	9-month period ended 30 September 2014 *(unaudited)*
Gross loss		**(163,392)**	**(225,184)**
Adjustments of items:			
Depreciation and amortisation of fixed and intangible assets		120,566	88,803
Interest expenses and revenues and commissions		30,673	54,052
Loss on investing activities		1,055	455
Change in the balance of assets and liabilities related to operating activities:			
- Trade and other receivables	27.1	22,729	(40,863)
- Inventories		397	2
- Trade and other liabilities	27.2	(26,941)	12,264
- Deferred income		117,513	98,063
- Provisions	27.3	420	184
- Prepayments, accruals and other non-financial assets	27.4	(1,259)	(2,551)
Revaluation of embedded derivative		(4,381)	(5,108)
Other adjustments		41	82
Net cash flow from operating activities		**97,421**	**(19,801)**
Proceeds from sales of property, plant and equipment and intangible assets		126	43
Purchase of property, plant and equipment and intangible assets		(165,914)	(66,926)
Acquisition of a subsidiary, net of cash acquired	29	(4,398)	-
Net cash flow from investing activities		**(170,186)**	**(66,883)**
Proceeds from loans borrowed	20	136,231	65,000
Repayment of loans	20	(2,500)	-
Commission and interest paid on bank loans		(9,839)	(7,286)
Other		(52)	(52)
Net cash flow from financing activities		**123,840**	**57,662**
Net increase (decrease) in cash and cash equivalents		51,075	(29,022)
Cash at beginning of period		**53,450**	**100,247**
Cash at end of period	15	**104,525**	**71,225**

Krzysztof Adaszewski | Piotr Janik | Teresa Rogala

(in PLN '000, except for items otherwise indicated)

/President of the Management Board/
/on behalf of SFERIA Spółka Akcyjna/

/Vice-President of the Management Board/

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 9-month period ended 30 September 2015

		Equity attributable to shareholders of the parent					
	Note	**Share capital**	**Supplementary capital**	**Uncovered losses**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2015		**147,967**	**1,140,765**	**(846,463)**	**442,269**	**-**	**442,269**
Acquisition of subsidiary	29	-	-	-	-	1,720	1,720
Net loss for the period		-	-	*(147,363)*	*(147,363)*	*11*	*(147,352)*
Total loss for the period		-	-	(147,363)	(147,363)	11	(147,352)
As at 30 September 2015 *(unaudited)*		**147,967**	**1,140,765**	**(993,826)**	**294,906**	**1,731**	**296,637**

	Note	**Share capital**	**Supplementary capital**	**Uncovered losses**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2014		**147,967**	**1,140,765**	**(525,606)**	**763,126**	**-**	**763,126**
Net loss for the period		-	-	*(221,056)*	*(221,056)*	-	*(221,056)*
Total loss for the period		-	-	(221,056)	(221,056)	-	(221,056)
As at 30 September 2014 *(unaudited)*		**147,967**	**1,140,765**	**(746,662)**	**542,070**	**-**	**542,070**

Krzysztof Adaszewski	Piotr Janik	Teresa Rogala
/President of the Management Board/	/Vice-President of the Management Board/	

/on behalf of SFERIA Spółka Akcyjna/

(in PLN '000, except for items otherwise indicated)

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed consolidated financial statements of Midas S.A Capital Group ("Group", "Midas Group") cover the 3- and 9-month periods ended 30 September 2015 and contain comparative data for the 3- and 9-month periods ending on 30 September 2014 and as at 31 December 2014.

The interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated statement of comprehensive income include data for the 9-month period ended 30 September 2015, the 3-month period ended 30 September 2015, and comparative data for the 9-month period ended 30 September 2014 and the 3-month period ended 30 September 2014. The data for the 3-month and 9-month period ended 30 September 2015 and the comparative data for the 3-month and 9-month period ended 30 September 2014 were not subject to a review or an audit by an independent auditor.

On 10 November 2015, these interim condensed consolidated financial statements of the Group for the 3-month and 9-month period ended 30 September 2015 were approved for publication by the Management Board ("Management Board", "Management Board of the Company", "Management Board of the Issuer").

1. General information

The Midas S.A. Capital Group consists of Midas S.A. (the "parent", the "Company", "Midas", "Issuer") and its subsidiaries. The parent is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, Department XII Commercial of the National Court Register, under KRS 0000025704.

The parent holds statistical identification number (REGON) 010974600.

The parent and the entities belonging to the Capital Group are established in perpetuity.

The core business activity of the Group is telecommunications activities conducted on the territory of Poland.

The immediate parent of Midas is Litenite Limited with its registered office in Nicosia, Cyprus – an entity indirectly controlled by the Deputy Chairman of the Company's Supervisory Board, Mr. Zygmunt Solorz-Żak. As at 30 September 2015, the shareholders of Litenite Ltd. were: Ortholuck Ltd. and LTE Holdings SPV.

The subsidiaries of Midas belonging to the Group as at 30 September 2015 and being subject to full consolidation were:

Entity	Registered office	Scope of activity	The Company's percentage share in equity	
			30 September 2015	31 December 2014
CenterNet S.A. ("CenterNet")*	Warsaw, Poland	telecommunications	-	100%
Mobyland Sp. z o.o. ("Mobyland")	Warsaw, Poland	telecommunications	100%	100%
Aero 2 Sp. z o.o. ("Aero2")	Warsaw, Poland	telecommunications	100%	100%
AltaLog Sp. z o.o. ("AltaLog")	Warsaw, Poland	software	66%	-

**On 31 December 2014, the merger of Aero2 and CenterNet was registered*

As at 30 September 2015 and as at 31 December 2014, the share in the total number of votes held by Midas in the subsidiaries is equal to the share of Midas in the capital of those entities except AltaLog.

On 5 August 2015 Midas acquired 3,630 shares in AltaLog for the price of PLN 5,326,000. The acquired shares represent a 66% share in the share capital of AltaLog and give the right to 66% of votes on the general meeting of AltaLog. The nominal value of one share is PLN 1,000, and the total nominal value of the acquired shares amounts to PLN 3,630,000. More information about AltaLog may be found under Note 29.

The interim financial result may not fully reflect the financial result which can be realised for the financial year.

2. Basis for preparing the interim condensed consolidated financial statements

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" adopted by the EU ("IAS 34").

These interim condensed consolidated financial statements have been presented in Polish zlotys ("PLN") and all values are given in thousands (PLN '000) except when otherwise indicated.

These interim condensed consolidated financial statements were prepared on the assumption that the business activities of the companies of the Group will continue in the foreseeable future, i.e. at least in the period of twelve months from the balance sheet date. As at the date of approval of these interim condensed financial statements, no circumstances were identified that would pose a threat to the continued activity of the Group companies.

The Management Board of the Company periodically analyses the liquidity of companies belonging to the Group. On the basis of that analysis, as at the day of approval of the interim condensed consolidated financial statements the Management Board of the Company stated that the on-going concern assumption for Group companies in the foreseeable future, i.e. in a period of at least 12 months following the balance sheet date, is justifiable. As discussed in more detail in Note 23, the available cash and sources of financing are more than sufficient to cover the requirements resulting from the operating, investment and financing activities of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014, published on 3 March 2015. On 24 June 2015 the consolidated financial statements for the year ended on 31 December 2014 were approved by the Ordinary General Shareholders Meeting of Midas.

3. Summary of significant accounting policies

The accounting policies adopted in preparing the interim condensed consolidated financial statements are consistent with those adopted in preparing the annual consolidated financial statements of the Company for the year ended 31 December 2014, except for the following new or amended standards and interpretations in force for annual periods beginning on or after 1 January 2015.

- *Changes resulting from the review of IFRS 2011-2013* including:

  - Amendments to IFRS 3 *Business combinations*
    After the changes, not only joint ventures, but also joint contractual arrangements are out of the scope of IFRS 3. The exception applies only to the preparation of the financial statements. The change is applied prospectively.

    The application of these changes had no effect on the financial position or operating results of the Group.
  - Amendments to IFRS 13 *Measurement at fair value*
    After the changes, the exception for the investment portfolio applies not only to financial assets and liabilities but also to other agreements covered by IAS 39. Changes are applied prospectively.

    The application of these changes had no effect on the financial position or operating results of the Group.
  - Amendments to IAS 40 *Investment properties*
    A description of the additional services contained in IAS 40 distinguishes between investment properties and properties occupied by their owner (property, plant and equipment). The change is applied prospectively and explains that IFRS 3, and not the definition of additional services contained in IAS 40, is used to determine whether the transaction is the acquisition of an asset or of an undertaking.

    The application of these changes had no effect on the financial position or operating results of the Group.

(in PLN '000, except for items otherwise indicated)

- IFRIC 21 *Levies*
  According to that interpretation, the entity discloses liabilities under levies when there is an obligating event, i.e. action triggering the obligation to pay the levy pursuant to applicable laws. In the case of fees due after exceeding the minimum threshold, the entity does not recognise the liability until when the threshold is reached. IFRIC 21 is applied retrospectively.

  The application of these changes had no effect on the financial position or operating results of the Group.

The Group decided against early application of any standard, interpretation or amendments which have been published but have not entered into force.

4. Significant values based on professional judgement and estimates

In the 9-month period ended 30 September 2015, the Management Board of the Company assessed significant values that affect the carrying amounts of assets and liabilities and evaluated key assumptions about the future in the same areas as those disclosed in Note 5 to the 2014 annual consolidated financial statements.

Deferred income tax asset

The Group recognises a deferred tax asset based on the assumption that, in the future, a taxable profit will be earned allowing it to be used. A worsening of the tax results obtained in the future may result in that assumption proving to be unjustified. As at 30 September 2015, the Group recognised deferred income tax assets on tax losses of Mobyland in connection with the strong likelihood of those losses being utilised, while deferred tax assets in other companies were not recognised.

Apart from the above, the Management Board's assessment remained the same as the assessment disclosed in the 2014 consolidated annual financial statements.

5. Business segments

The activities conducted by the Capital Group are treated by management as a single coherent operating segment covering wholesale telecommunications activity. The Management Board evaluates the financial results of the Group by analysing its consolidated financial statements.

6. Seasonality of activities

The Group's activities are not seasonal in nature, and so the Group's results presented do not show any significant fluctuations during the year.

7. Revenues

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Sales of telecommunications services	150,703	390,958	113,530	249,667
Other sales	187	1,768	449	3,658
Other revenues	-	14,987	-	-
Total	**150,890**	**407,713**	**113,979**	**253,325**

During the 9-month period ended 30 September 2015, revenues increased by PLN 154,388,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, revenues increased by PLN 36,911,000 in comparison to the corresponding period of the previous year. This was mainly due to the increasing amount of data transmission services ordered by wholesale customers of the Group resulting from such factors as the growing popularity of the LTE technology, and to the consistently expanding coverage of the telecommunications network utilised by the Group. The Management Board of the Company emphasises that revenues from sales of telecommunications services in the third quarter of 2015 increased by approximately PLN 18,375,000 (approx. 13.9%) compared to the revenues achieved in the second quarter of 2015.

(in PLN '000, except for items otherwise indicated)

On 2 January 2015, the companies Aero2 and Sferia terminated by mutual consent the agreement of 30 November 2011 on the terms and conditions for the mutual use of telecommunications infrastructure or telecommunications network components. Item "Other revenues" pertains to Aero2's fee for consenting to the early termination of the agreement on the shared use of the telecommunications infrastructure.

8. Expenses by type

8.1. Depreciation and amortisation

During the 9-month period ended 30 September 2015, depreciation and amortisation increased by PLN 31,763,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, depreciation and amortisation increased by PLN 31,341,000 in comparison to the corresponding period of the previous year. The Management Board notes that depreciation and amortisation in the third quarter of 2015 rose by PLN 27,696,000 as against the second quarter of 2015. As part of the network optimisation projects (consolidation of the telecommunications network and replacement of telecommunications equipment (SWAP) at base stations), periods of use of their individual elements were verified. As a result, their period of use was shortened since 1 August 2015 to the date of their scheduled dismantling which increased costs of their depreciation. The network optimisation project will be pursued in subsequent periods.

8.2. Costs related to the telecommunications network

During the 9-month period ended 30 September 2015, costs related to the telecommunications network increased by PLN 85,361,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, there was an increase in costs related to the maintenance of the telecommunications network by PLN 40,737,000. Costs of maintaining and operating the telecommunications network increase as the number of base stations grows.

8.3. Other expenses by type

During the 9-month period ended 30 September 2015, other expenses by type decreased by PLN 4,335,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, other expenses by type decreased by PLN 850,000 in comparison to the corresponding period of the previous year. The decrease in costs related mainly to a lower value of the Company's own costs of sold goods, lower costs of rental and maintenance of the office and lower costs of postal and courier services.

9. Other operating revenues

During the 9-month period ended 30 September 2015, other operating revenues increased by PLN 919,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, other operating expenses decreased by PLN 398,000 in comparison to the corresponding period of the previous year. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating revenues comprise the following:

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Release of provisions	-	-	57	57
Received compensation and similar benefits	6	21	-	17

(in PLN '000, except for items otherwise indicated)

Repayment of receivables covered by the write-down	-	2,200	-	-
Subsidies	668	2,004	667	2,021
Postal charges	2	347	290	1,287
Other	133	267	193	538
Total	**809**	**4,839**	**1,207**	**3,920**

10. Other operating expenses

During the 9-month period ended 30 September 2015, other operating expenses decreased by PLN 518,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, other operating expenses decreased by PLN 836,000 in comparison to the corresponding period of the previous year. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating expenses comprise the following:

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Donations	60	60	30	60
Cost of abandoned investments	72	72	1,124	1,229
Loss from disposal / liquidation of non-financial non-current assets	413	1,055	224	455
Other	-	55	3	16
Total	**545**	**1,242**	**1,381**	**1,760**

11. Financial revenues

During the 9-month period ended 30 September 2015, financial revenues decreased by PLN 1,228,000 in comparison to the corresponding period of the previous year. During the 3-month period ended

30 September March 2015, financial revenues increased by PLN 699,000 in comparison to the corresponding period of the previous year. The changes primarily resulted from the lower value of funds invested, a change in bank deposit interest rates and a change in the valuation of the embedded derivative. For the purposes of the interim condensed consolidated statement of comprehensive income, financial revenues comprise the following:

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Revaluation of embedded derivative	5,175	4,381	4,241	5,108
Revenues from bank interest	180	718	389	1,139
Revenues from interest on borrowings granted	111	330	142	421
Other interest revenues	1	4	-	3
Other financial revenues	4	10	-	-
Total	**5,471**	**5,443**	**4,772**	**6,671**

12. Financial costs

During the 9-month period ended 30 September 2015, financial costs decreased by PLN 20,199,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, financial costs decreased by PLN 26,777,000 in comparison to the corresponding period of the previous year. The foregoing changes result mainly from the recognition in the 3-month period ended 30 September 2014 of expenses related to a change in the collateral for the issue of bonds. Under the conditions of issue of the bonds, the discount rate increased by 1.7 percentage points. The difference in the nominal value of the bonds, discounted by the effective rate of discount over the outstanding repayment period, resulted in a charge for the period in the amount of PLN 29,833,000. For the purposes of the interim condensed consolidated statement of comprehensive income, financial costs comprise the following:

(in PLN '000, except for items otherwise indicated)

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Interest on issued bonds*	7,704	22,449	36,887	49,693
Interest on bank loans received*	860	5,360	1,453	4,208
Commission on bank loans received	1,061	3,268	115	572
Cost of guaranteeing debt**	191	1,307	-	-
Late-payment interest	1,717	1,733	21	30
Negative exchange rate differences	-	34	-	1
Discount on the provision for dismantling base stations	164	420	-	247
Other financial costs	22	67	20	86
Total	**11,719**	**34,638**	**38,496**	**54,837**

** During the 9-month period ended on 30 September 2015, the Group capitalised external financing costs in the amount of PLN 9,960,000 (in the corresponding period a year before: PLN 3,065,000)*
*** The item concerns guarantees granted by Inwestycje Polskie for investment credit granted by Alior Bank.*

13. Income tax

13.1. Current income tax

In the reporting period Mobyland disclosed under the statement of comprehensive income current tax expenses which resulted from the adjustment of the corporate income tax for the years 2011-2013. A reason for the adjustment was a change in the method for settlement of revenues from data transmission services made based on individual interpretations received from the Ministry of Finance. The value of tax to be paid amounted to PLN 8,521,000.

13.2. Deferred tax

As at 30 September 2015, the Group recognised deferred income tax assets on tax losses of Mobyland due to the strong likelihood of those assets being realised. As at 30 September 2015, the Group recognised assets of PLN 22,249,000 (PLN 0 as at 31 December 2014).

14. Property, plant and equipment

14.1. Purchases and disposals

During the 9-month period ended 30 September 2015, the Group acquired items of property, plant and equipment with a value of PLN 155,856,000 (mainly telecommunications infrastructure from Nokia Solutions and Networks, Ericsson, Polkomtel, Kathrein, Huawei and Sferia).

During the 9-month period ended on 30 September 2014, the Group acquired property, plant and equipment with a value of PLN 25,890,000.

During the 9-month period ended 30 September 2015 and the 9-month period ended 30 September 2014, the Group did not dispose of any property, plant and equipment with a significant value.

14.2. Impairment write downs

During the 9-month period ended 30 September 2015 and the 9-month period ended 30 September 2014, the Group did not make any impairment write-down.

(in PLN '000, except for items otherwise indicated)

15. Intangible assets

15.1. Purchases and disposals

During the 9-month period ended on 30 September 2015, the Group acquired intangible assets with a value of PLN 15,754,000 (licenses related to the maintenance of the telecommunications network purchased from Polkomtel). During the 9-month period ended on 30 September 2014, the Group acquired intangible assets with a value of PLN 132,000.

During the 9-month period ended 30 September 2015 and the 9-month period ended 30 September 2014, the Group did not dispose of any intangible assets with a significant value.

15.2. Impairment write downs

During the 9-month period ended 30 September 2015 and the corresponding period of the previous year, the Group did not recognise any significant impairment of intangible assets.

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	30 September 2015 *(unaudited)*	**31 December 2014**	**30 September 2014** *(unaudited)*
Cash at bank and on hand	104,525	22,802	25,889
Short-term bank deposits	-	30,648	45,336
Cash and cash equivalents	**104,525**	**53,450**	**71,225**

17. Non-current receivables, trade and other receivables

During the 9-month period ended 30 September 2015, current receivables of the Group decreased by PLN 22,661,000 in comparison to the balance as at 31 December 2014. That change results mainly from a decrease in the Group's VAT receivables and a decrease in the Group's receivables from Polkomtel (performance of agreements concluded).

18. Other assets

18.1. Non-current financial assets

During the 9-month period ended 30 September 2015, other non-current financial assets of the Group increased by PLN 7,874,000 in comparison to the balance as at 31 December 2014. The change results from a revaluation of the fair value of the embedded derivative (early bond redemption option) and the acquisition of the subsidiary which holds shares in Inplus Sp. z o.o. The change in the value of the embedded derivative results from changes in market parameters, including changes in the profitability of bonds with similar maturities.

The option of early repurchase was valuated using the Leisen-Reimer binomial tree model. The variability of the price of the bonds analysed was modelled. As the initial value of the bonds, their value as at the measurement date, determined in accordance with the above description, was accepted. The parameter of variability of the bonds analysed was determined on the basis of an analysis of the variability of the profitability of corporate bonds in EUR with a rating of BBB and a maturity period of 7 years.

The fair value was determined in accordance with the level 3 in the fair value hierarchy.

The value of the early repurchase option as at 30 September 2015 is PLN 59,028,000 and as at 31 December 2014 amounted to PLN 54,647,000. The change in the value is reflected in financial revenues (Note 11).

In the period ended 30 September 2015 and in the period ended 30 September 2014 there were no movements between the level 1 and the level 2 of the fair value hierarchy and none of the instruments was moved from/to the level 3 of the fair value hierarchy.

18.2. Non-current financial assets

During the 9-month period ended 30 September 2015, other non-current non-financial assets of the Group decreased by PLN 13,397,000 in comparison to the balance as at 31 December 2014. That change results mainly from settlement of advances designated for purchases of fixed assets.

19. Provisions

During the 9-month period ended 30 September 2015, the Group updated the value of the non-current provisions for the cost of anticipated dismantling of base stations forming part of the telecommunications infrastructure. The balance of the provision rose by PLN 5,864,000 as against the provision disclosed as at 31 December 2014 following a further development of the network (larger number of base stations and installed electronics).

20. Interest-bearing bank loans

Drawing on subsequent tranches of the credit granted by Bank Pekao

During the 9-month period ended 30 September 2015, the Group drew down other tranches of the investment loan (agreement with Bank Polska Kasa Opieki S.A. ("Bank Pekao") of 10 July 2014) in the aggregate amount of PLN 131,200,000. In the statement of financial position, the value shown of liabilities from the loan is based on the effective interest rate, taking account of expenses incurred in connection with obtaining the financing.

Drawing on a subsequent tranche of the credit granted by Alior Bank

On 24 April 2015, the Group drew down another tranche of the investment loan (agreement with Alior Bank S.A. ("Alior Bank") of 28 February 2013) in the amount of PLN 5,000,000. The funds from the loan were sent directly to the bank account of Aero2 in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. In the statement of financial position, the value shown of liabilities from the loan is based on the effective interest rate, taking account of expenses incurred in connection with obtaining the financing.

Repayment of the investment credit granted by Alior Bank

On 1 July 2015 the Group received from Alior Bank a confirmation of repayment on 30 June 2015 of the investment credit. Thus, the credit whose final repayment under the agreement signed on 28 February 2013 was set at 31 March 2018 was closed earlier on 30 June 2015.

Amendment to terms and conditions of the credit agreement with Bank Pekao.

On 26 June 2015 the Group companies entered with Bank Pekao into the annex to the agreement for financing the development of the LTE and HSPA+ telecommunications network of 10 July 2014 (the "Credit Agreement").

The annex signed modified terms and conditions of the Credit Agreement to the following extent:

1. increasing the credit amount from PLN 200,000,000 to PLN 350,000,000;

2. extending the use of the credit by refinancing the existing credit from Alior Bank in the amount of PLN 150,000,000;

3. defining the credit availability period by the end of December 2015, including by the end of July 2015 for refinancing the credit from Alior Bank;

4. credit repayment: in equal monthly instalments from the end of January 2016;

5. legal collaterals: modification of the cash deposit conditions (DSRA) to PLN 20,000,000 (currently deposited amount) instead of 10% of the actual commitment,

6. The Annex did not provide for any amendments to other terms and conditions of the Credit Agreement, including to the method how to calculate interest, contractual penalties, conditions or periods.

Raising the credit amount required increases to collaterals (signing respective collateral agreements and their registration).

On 7 August 2015 Midas, Aero2 and Mobyland received copies of the annexes to the collateral agreements for the credit granted by Bank Pekao signed on 6 August 2015 by Bank Pekao and the a/m companies. Amendments to Registered Pledge Agreements on Aero2 and Mobyland shares include increasing the maximum collateral amount to PLN 525,000,000. Amendments to Registered Pledge Agreements on groups of movables and rights constituting an organised business whole with variable include raising the total collateral value under registered pledges established on the a/m groups of Mobyland and Midas up to PLN 525,000,000, and Aero2 to PLN 622,000,000. In addition, the Company, Aero2 and Mobyland submitted declarations of voluntary submission to enforcement under the procedure of Article 777 par. 1 pt. 5 of the Code of Civil Procedure up to PLN 525,000,000. All the other amendments in the agreements were technical only and resulted from the combination of Aero2 and CenterNet entered in the Commercial Register on 31 December 2014 and from changes in registered offices of Midas, Aero2 and Mobyland.

On 21 August 2015 the Management Board of Midas received a decision of the District Court for the City of Warsaw in Warsaw, Department XI Commercial – Register of Pledges of 11 August 2015 on a change in the registered pledge established for Bank Pekao, constituting a collateral for the investment credit on 204,200 shares in Mobyland representing 100% of the share capital of Mobyland, disclosed in the Company's accounting books at a book value of PLN 178,800,000, including raising the maximum collateral up to PLN 525,000,000. Furthermore, the Company received the Court's decision to enter in the pledge register, on 12 August 2015, the pledge, established in favour of Bank Pekao, on a group of moveable goods and rights constituting part of the business of Mobyland, disclosed in the Company's books of account at a book value of PLN 102,100,000, and constituting collateral on a liability stemming from the above loan, including raising the maximum collateral up to PLN 525,000,000.

On 28 August 2015 Midas received the decision of the District Court for the City of Warsaw, Department XI Commercial of the Pledge Register, of 18 August 2015 on a change in the registered pledge established for Bank Pekao, constituting a collateral for the investment credit on sets of movable goods and rights constituting an organised business whole with variable composition, owned by Aero 2. The change consists in the increase of the maximum collateral amount from PLN 396,700,000 to PLN 622,000,000. The value of record of the aforementioned set as at 30 June 2015 was PLN 858,300,000.

On 10 September 2015 Midas received the decision of the District Court for the City of Warsaw, Department XI Commercial of the Pledge Register, of 3 September 2015 on a change in the registered pledge established for Bank Pekao, constituting a collateral for the investment credit, on 221,000 shares of nominal value PLN 50 each, held by the Company in Aero2 and constituting 99.5% of interest in Aero2's share capital. The change consists in the increase of the maximum collateral amount from PLN 300,000,000 to PLN 525,000,000. There was also a change in the registered pledge established for the Bank, constituting a collateral for the Credit, on 1,000 shares of nominal value PLN 50 each, held by the Company in Aero2 and constituting 0.5% of interest in Aero2's share capital. The change consists in the increase of the maximum collateral amount from PLN 300,000,000 to PLN 525,000,000. The value of record of 100% of the shares in Aero2 as at 30 June 2015 was PLN 787,000,000.

Partial repayment of the credit granted by Plus Bank S.A.

On 31 March 2015, the Group repaid the principal amount of the loan granted to by Plus Bank ("Plus Bank") in the amount of PLN 2,500,000 (PLN 41,101,000 was still outstanding).

Amendment to terms and conditions of the credit agreement with Plus Bank S.A.

On 18 September 2015 Aero2 entered with Plus Bank into annexes to the credit agreements of 27 October 2010 and of 25 November 2010.

The annexes signed modified terms and conditions of the credit agreements to the following extent:

1. The borrowing period was extended accordingly from 26 and 30 September 2015 to 31 December 2018.

2. Maturities of the last instalments were postponed to December 2018.

On 18 September 2015 Mobyland signed a debt accession agreement under which the company joint the a/m credit agreements entered into by Aero2 with Plus Bank, as a joint and several co-debtor.

21. Deferred income

As at 30 September 2015, the Group recognised deferred income of PLN 301,811,000 (PLN 184,298,000 as at 31 December 2014). This amount consists of non-current deferred income of PLN 19,332,000 and the current portion of deferred income of PLN 282,479,000 (as at 31 December 2014: PLN 33,325,000 and PLN 150,973,000, respectively).

In the 9-month period ended 30 September 2015, the growth seen in the value of deferred income results from an order under the agreement placed during the above period with Mobyland, on the basis of which Mobyland provides data transmission services on the basis of the LTE and HSPA+ technologies for the benefit of Polkomtel Sp. z o.o. Each order is payable in instalments (currently, payments are being made in accordance with the schedule published in Current Report No. 4/2015) on the basis of invoices issued by Mobyland, and this is reflected in the value of deferred income. In turn, in line with the use of the data transmission packets ordered, revenues from future periods are disclosed in the statement of comprehensive income, where under revenues from sales a result appears which is proportional to the number of gigabytes (GB) actually used under a given order. As at 30 September 2015, the value of paid instalments remaining to be settled, resulting from the orders placed under the agreement with Polkomtel amounted to PLN 279,109,000.

The remaining amount of deferred income comprises EU grants of PLN 22,003,000 and settlements of sales of telecommunications services (prepaid) of PLN 699,000.

22. Other financial liabilities

During the 9-month period ended 30 September 2015, there was an increase in the value of liabilities under the issue of bonds. The change results from calculating the discount on the series A bonds. The amount of discount was added to the existing debt under the series A bonds.

On 20 July 2015 the Meeting of Bondholders of series A bonds issued by Midas was held. The Meeting adopted resolutions on amendments to the Bond Issue Conditions. The Meeting expressed consent among others to exclusion of the leverage ratio as the covenant under the bonds, a change to the definition of the Authorised Acquisition in order to permit the Issuer to acquire directly or indirectly shares in a business carrying out the same or complementary activities to the core business of the Issuer and a change to the pledge administration agreement.

23. Financial risk management objectives and policies

During the 9-month period ended 30 September 2015, the Group did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk in relation to those described in the annual consolidated financial statements for 2014.

As part of the periodic analysis of liquidity conducted by the Management Board of the Company, a summary was made of cash, available sources of financing, and of the need for cash stemming from the operating, investing and financing activities of the Group in the 12 months following the balance sheet date.

As at 30 September 2015, the Group had cash resources in the amount of PLN 104,525,000, available credit line at Bank Pekao in the amount of PLN 45,328,000. In the period of the next 12 months in connection with the agreement entered into on 3 March 2015 by and between Mobyland and Polkomtel Sp. z o.o. the Management Board expects significant cash flows related to the provision of telecommunications services. Moreover, only a part of financial liabilities contracted by the Group is due and payable in the next 12 months. As a result of the analysis conducted, the Management Board ascertained that the available cash and sources of financing cover, with a surplus, the cash requirements resulting from the operating, investing and financing activities of the Group in the foreseeable future, i.e. for a period of at least 12 months following the balance sheet date.

(in PLN '000, except for items otherwise indicated)

24. Capital management

During the 9-month period ended 30 September 2015, the Group did not change its goals, principles or procedures for capital management compared to those disclosed in the 2014 annual consolidated financial statements.

25. Contingent liabilities and contingent assets

In the 9-month period ended 30 September 2015, there were changes in contingent liabilities compared with the data disclosed in Note 30 to the 2014 annual consolidated financial statements. Presented below is up-to-date information concerning liabilities from bank guarantees granted as security for the performance of trade agreements:

	30 June 2015	31 December 2014
Liabilities from bank guarantees granted mainly as performance guarantees	-	289
Total contingent liabilities	**-**	**289**

Proceedings concerning frequency reservations for CenterNet (currently Aero2) and Mobyland

In the proceedings pending before the Provincial Administrative Court in Warsaw (the "PACW") on the basis of a complaint of Polkomtel against the decisions of the President of the OEC of 30 November 2007, under which the President of the OEC made a reservation of frequencies for CenterNet and Mobyland and refused such reservations to PTC (currently T-Mobile Polska S.A., "T-Mobile") and Polkomtel ("Reservation Decision 1") and the decision of 23 April 2009, upholding Reservation Decision 1 after re-examining the case ("Reservation Decision 2"), on 19 November 2012 the PACW issued a judgement under which, on the merits of the case, it dismissed the complaint brought by T-Mobile and cancelled the proceeding initiated by the complaint of Polkomtel (in connection with the withdrawal of the complaint by a procedural submission made before the hearing).

In the grounds of the ruling dismissing T-Mobile's complaint, the PACW emphasised in particular that the primary argument of that complaint concerning a breach of substantive law due to a failure to examine in the reservation proceedings the prerequisites referred to in Article 114 par. 3 of the Telecommunications Law is unjustified, as the prerequisites set forth in the above regulation are subject to examination by the President of the OEC at the stage of earlier, separate tender proceedings, and thus there is no need to re-establish them in the reservation proceedings. The PACW found the other points of the above complaint, referring to procedural irregularities, to be groundless or irrelevant to the direction of the resolution adopted by the President of the OEC (Current Report No. 53/2012).

T-Mobile filed a cassation appeal against that judgement by the PACW. On 29 May 2014, the SAC issued a final judgement pursuant to which, following the dismissal of the cassation appeal filed by T-Mobile, the SAC upheld the judgement of the PACW of 19 November 2012. The SAC did not share the objection of T-Mobile's cassation appeal concerning the invalidity of the proceedings, based on the assertion that T-Mobile's attorney had been incorrectly notified about the hearing before the PACW. In the SAC's assessment, in order to challenge the manner of serving process letters, a party must first file a complaint with Poczta Polska (the Polish Post Office). Only conducting such proceedings made it possible to effectively overturn the supposition of a correct delivery, and, as the SAC pointed out, T-Mobile did not make such a complaint. The SAC also referred to the objections of T-Mobile concerning a breach of Article 114 par. 3 of the Telecommunications Law, holding – like the PACW – that they were unjustified. In the SAC's assessment, the frequency reservation was made correctly by the President of the OEC in 2007. The SAC also pointed out that the SAC's judgement of 8 May 2014 concerning a Tender for a frequency reservation was not relevant in deciding this case (the judgement is described hereinbelow).

The Management Board of the Issuer feels that the SAC judgement of 29 May 2014, almost seven years after granting frequency reservations to CenterNet and Mobyland, has finally and lawfully put an end to the dispute concerning the aforementioned reservations and confirmed the correctness of the reservation proceedings conducted by the President of the OEC in 2007. In the opinion of the Issuer's Management Board, CenterNet (currently Aero2) and Mobyland can therefore continue to make full use of the frequencies granted to them until 2022, and can therefore still carry out the objectives adopted in the operations of the Midas Capital Group.

Proceedings related to the tender concerning frequencies subject to reservation for CenterNet (currently Aero2) and Mobyland

In the matter concerning a repeal of the decision of the President of the OEC of 13 June 2011 No. DZC-WAP-5174-9/07(321) and of 23 August 2011 No. DZC-WAP-5174-9/07(352) invalidating – in the scope concerning the evaluation of T-Mobile's bid – the tender concerning two reservations of frequencies in the 1710-1730 MHz and 1805-1825 MHz ranges, issued in the tender concerning reservation of the frequencies granted to CenterNet and Mobyland (Current Report No. 33/2012), on 8 May 2014, the SAC issued a judgement concerning the tender for two frequency reservations, in the 1710-1730 MHz range and the 1805-1825 MHz range (the "Tender"), under which the SAC upheld the PACW's judgement of 6 July 2012. The SAC judgement was issued following the dismissal of the cassation appeals filed by the President of the OEC and the Issuer's subsidiaries: CenterNet and Mobyland. The SAC stated that the dispute in the matter centred on assessing recommendations for further action for the President of the OEC, following from the judgement of the PACW of 21 July 2009, repealing both decisions of the President of the OEC refusing to declare the invalidity of the tender concerning frequency reservations and from the judgement of the SAC of 3 February 2011 approving the judgement of the PACW. The SAC found that the above judgements of the PACW and SAC indicated that the President of the OEC should have invalidated the Tender in its entirety. In its judgement of 21 July 2009, the PACW found that a serious breach of the applicable laws occurred during the tender proceedings, as a result of which a party to the proceedings was deprived of the right to participate in stage two of the Tender, i.e. the criterion for flagrant infringement of the applicable laws referred to in Article 118d of the Telecommunications Law (the "TL") was fulfilled, which would justify invalidating the Tender. On the other hand, the SAC, in its judgement of 3 February 2011, found that the PACW judgement indicated that the President of the OEC should have issued the opposite decision to the existing decision. In its judgement of 8 May 2014, the SAC found, taking into account the scope of the proceedings conducted by the President of the OEC and the motions to invalidate the Tender, that the opposite decision would be to invalidate the Tender in its entirety. The SAC also noted that the President of the OEC, having concerns regarding the recommendations contained in the above judgements of the PACW and the SAC, could have requested an interpretation, pursuant to Article 158 of the Act on Proceedings Before Administrative Courts, which he failed to do. Referring to Article 118d par. 1 of the TL, in the wording applicable to the matter at hand, the SAC also found that the provision was worded unambiguously and could not have led to the conclusion that the Tender could be partially invalidated. In the assessment of the SAC, this provision does not permit such a possibility. But even if it were possible, partial invalidation could not take place with reference to one of the entities taking part in the Tender (as was the case in 2011). Any partial invalidation of the Tender might at best refer to the subject, not the participants. Lastly, the SAC noted that in the court and administrative proceedings, there can be no acceptance for arguments of equitability related to, among other things, the expenses of conducting another Tender, as the deciding factor in this respect is the wording of the applicable provision of the law, its interpretation and application.

As a result of the decisions of the President of the OEC of 13 June 2011 and 23 August 2011, the President of the OEC conducted another Tender with respect to assessing the bid placed by T-Mobile and determined the revised result of the Tender in the form of a new list assessing each bid, taking into account the bid placed by T-Mobile. The bids placed by CenterNet were placed on the list under items 1 and 2, and the bid placed by Mobyland – under item 3. On 27 October 2011, CenterNet filed a motion to obtain frequency reservations on the basis of the bid featured as item 2 on the evaluation list, and Mobyland submitted a request on the same date to obtain a reservation on the basis of the sole bid it had placed. In connection with the above motions concerning reservations submitted by CenterNet and Mobyland, proceedings concerning the reservation motions are pending before the President of the OEC. After the President of the OEC announced the revised results of the Tender, Orange Polska and T-Mobile submitted motions to invalidate the Tender. In its decision of 28 November 2012, the President of the OEC refused to invalidate the Tender. The above decision was upheld by the decision of the President of the OEC of 8 November 2013. Subsidiaries of the Issuer did not file a complaint against the decision of the President of the OEC of 8 November 2013. Orange Polska and T-Mobile filed complaints against the above decision with the PACW, which overturned the decision of the President of the OEC in a judgement of 23 September 2014. Subsidiaries of the Issuer submitted cassation appeals against that judgement. The date of examining the cassation appeals is unknown.

(in PLN '000, except for items otherwise indicated)

The Management Board of the Issuer believes that the SAC judgement of 8 May 2014 and the PACW judgement of 23 September 2014 will have no influence on CenterNet (currently Aero2) and Mobyland's ability to continue their existing operations. This means that these companies can still make full use of the frequencies granted to them, and can therefore still carry out the objectives adopted in the operations of the Midas Capital Group. Furthermore, the Management Board maintains its position expressed in Current Report No. 8/2014 that it is presently impossible to predict the direction or scope of further action in the matter that may be undertaken by the President of the OEC and other participants of the proceedings. The Management Board of the Issuer also notes that on 29 May 2014, the SAC upheld the judgement of the PACW of 19 November 2012, as noted hereinabove. That judgement concerned dismissal on substantive grounds of T-Mobile's complaint against the decision of the President of the OEC concerning frequency reservations in the 1710-1730 MHz and 1805-1825 MHz ranges issued for CenterNet and Mobyland. The SAC judgement of 29 May 2014 is binding, and means that those frequency reservations are final. The decisions may only be repealed upon reopening the proceedings. At this point, the Issuer's Management Board does not see any legal grounds on which this scenario could be fulfilled.

In view of the above circumstances, the Management Board is not able to predict the final outcome, but currently feels that none of the above proceedings should have an adverse effect on the financial position or results of the Midas Group. The carrying amount of the above concessions granted to CenterNet (currently Aero2) and Mobyland, disclosed in the consolidated statement of financial position, as at 30 September 2015 was PLN 168,458,000.

Other contingent liabilities and assets did not change compared to those disclosed in the annual consolidated financial statements for 2014.

26. Trade and other liabilities

During the 9-month period ended 30 September 2015, liabilities of the Group decreased by PLN 34,822,000 in comparison to the balance as at 31 December 2014. The change results primarily from repayment of the Group's liabilities towards Polkomtel from the provision of telecommunications infrastructure services.

27. The reasons for the differences existing between changes stemming from the statement of financial position and changes stemming from the statement of cash flow

27.1. Change in the balance of receivables

	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
Change in the balance of trade and other receivables	22,661	(29,772)
Change in the balance of receivables from the acquisition of non-current assets	103	(11,091)
Change in the balance of receivables on disposal of property, plant and equipment	(35)	-
	22,729	**(40,863)**

27.2. Change in the balance of liabilities

	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
Change in the balance of short-term liabilities	(33,106)	(30,437)
Change in the balance of liabilities arising from the acquisition of property, plant and equipment and investments	(6,165)	(42,701)
	(26,941)	**12,264**

27.3. Change in the balance of provisions

	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014

Change in the balance of prepayments/accruals and other non-financial assets	(3,395)	(2,786)
Change in the balance of non-current prepayments/accruals	2,122	240
Change in the balance of prepayments/accruals concerning costs of bond issues	14	(5)
	(1,259)	**(2,551)**

27.4. Change in the balance of prepayments/accruals and other non-financial assets

	01.01.2015 - 30.09.2015	**01.01.2014 - 30.09.2014**
Change in the balance of provisions	5,864	9,513
Growth of provisions for dismantling reported for fixed assets	(5,444)	(9,329)
	420	**184**

28. Capex liabilities

As at 30 September 2015, the Group had investment orders for the total amount of PLN 39,000,000. The orders placed concern the purchase of telecommunications components.

29. Acquisition of entities

On 5 August 2015 Midas acquired 3,630 shares in AltaLog for the price of PLN 5,326,000. The acquired shares represent a 66% share in the share capital of AltaLog and give the right to 66% of votes on the general meeting of AltaLog. The nominal value of one share is PLN 1,000, and the total nominal value of the acquired shares amounts to PLN 3,630,000. The advance payment for the shares in the amount of PLN 266,000 was paid on 22 June 2015, the remaining balance, i.e. PLN 5,060,000 was paid on 5 August 2015. AltaLog carries out activities which are complementary to the core activities of the Midas Group related to software and among others management of IT devices as well as research and technical analyses.
The acquisition of AltaLog Sp. z o.o. was disclosed temporarily in these consolidated financial statements in accordance with IFRS 3 Business combinations. The value of identifiable assets and liabilities of AltaLog as at the acquisition date is as follows:

Assets	*Value as at the date of acquisition*
Property, plant and equipment	16
Intangible assets	632
Other financial assets (non-current)	3,419
Trade and other receivables	102
Current prepayments	1
Cash and cash equivalents	929
	5,099
Liabilities	
Trade and other liabilities	37
Provisions for other liabilities	7
	44

	As at the date of acquisition
Purchase price	5,326
Identifiable net assets at fair value	5,055
Non-controlling interests measured in proportion to share in net assets	1,720
Goodwill as at the date of acquisition	1,991

Below there are selected financial data from the statement of comprehensive income:

	For the period from 1 January 2015 to the takeover date
Revenues from sales	250
Net loss	(85)

(in PLN '000, except for items otherwise indicated)

Prepared for the period from the takeover date to 30 September 2015	
Revenues from sales	179
Net profit	34

Transaction costs of PLN 64,000 were disclosed as other expenses by type in the statement of comprehensive income and as an item under cash flows from operating activities in the statement of cash flows.

30. Transactions with related parties

The table below presents the total values of transactions with related parties entered into during the 3-month and 9-month periods ended 30 September 2015 and 30 September 2014, respectively, and the balances of receivables and liabilities as at 30 September 2015 and 31 December 2014:

		Revenues from mutual transactions, of which:	**from sales**	**interest on borrowings**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**3-month period ended 30 September 2015** *(unaudited)*	149,460	149,106	111	243
	9-month period ended 30 September 2015 *(unaudited)*	406,508	405,452	330	726
	3-month period ended 30 September 2014 *(unaudited)*	114,038	113,457	142	439
	9-month period ended 30 September 2014 *(unaudited)*	253,310	251,777	421	1,112

		Costs of mutual transactions, of which:	**interest on borrowings**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**3-month period ended 30 September 2015** *(unaudited)*	129,952	421	129,531
	9-month period ended 30 September 2015 *(unaudited)*	354,651	1,300	353,351
	3-month period ended 30 September 2014 *(unaudited)*	89,271	523	88,748
	9-month period ended 30 September 2014 *(unaudited)*	268,846	1,604	267,242

		Receivables from related parties, of which:	**trade**	**borrowings**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**30 September 2015** *(unaudited)*	144,065	128,594	15,471	-
	31 December 2014	151,151	133,530	15,174	2,447

		Liabilities towards related parties, of which:	**trade**	**borrowings**	**other**
Entities controlled by a person	**30 September 2015** *(unaudited)*	362,273	42,063	41,101	279,109*

(in PLN ‘000, except for items otherwise indicated)

(or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**31 December 2014**	279,517	76,377	43,601	159,539*

**Amounts recognised as deferred income*

31. Remuneration of the senior management staff of the Group

31.1. Remuneration paid or due to members of the Management Board and members of the Supervisory Board of the parent

The table below shows the value of remuneration (together with mark-ups) paid or due to members of the Management Board of the Company and members of the Supervisory Board of the Company for the performance of their duties on the governing bodies of the Company.

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Management Board of the parent				
Current employee benefits or similar (wages and salaries and mark-ups)	125	428	120	962
Supervisory Board of the parent				
Current employee benefits or similar (wages and salaries and mark-ups)	14	60	12	76
Total	**139**	**488**	**132**	**1,038**

31.2. Remuneration paid or due to members of the Management Board and members of the Supervisory Board of the parent in subsidiaries

The table below shows the value of remuneration (together with mark-ups) paid or due to members of the Management Board of the Company and members of the Supervisory Board of the Company for the performance of their duties on the governing bodies of subsidiaries.

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Management Board of the parent				
Current employee benefits (wages and salaries and mark-ups)	98	303	85	252
Supervisory Board of the parent				
Current employee benefits (wages and salaries and mark-ups)	3	9	3	9
Total	**101**	**312**	**88**	**261**

32. Subsequent events

On 7 October 2015, a plan was agreed and signed for a merger by takeover (the “Merger”) between the companies Aero2 (as the acquiring company) and Mobyland (as the target company). The decision to merge the two companies results from the desire to optimise and streamline the ownership structure of the Midas Group. It was decided that the Merger will be effected by: (i) a dissolution of Mobyland without proceeding with its liquidation and (ii) a transfer of all assets, equity and liabilities from Mobyland to Aero2 by way of universal succession pursuant to the provisions of Article 492 par. 1 pt. 1) of the Commercial Companies Code. Following the Merger, pursuant to Article 494 par. 1 of the Commercial Companies Code Aero2 will enter into all the rights and obligations of Mobyland. As at the date of signing the merger plan and as at the date hereof, the Company was the sole shareholder of both Aero2 and Mobyland. As a result of the Merger, the share capital of Aero2 will be increased from PLN 11,100,000 to PLN 113,200,000, i.e. by PLN 102,100,000, by creating 2,042,000 new shares with a nominal value of PLN 50 each. As a result of the Merger, the Company, as the sole shareholder of Mobyland, will receive 2,042,000 new shares in the share capital of Aero2 with the nominal value of PLN 50 each in exchange for 204,200 existing shares in the share capital of Mobyland with the nominal value of PLN 500 each. In the Company's opinion, the merger of subsidiaries will not have a significant effect on the consolidated financial results of the Midas Group or on its operations.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Krzysztof Adaszewski
/President of the Management Board/

Piotr Janik
/Vice-President of the Management Board/

SIGNATURE OF THE PERSON KEEPING THE BOOKS OF ACCOUNT:

Teresa Rogala
/on behalf of SFERIA
Spółka Akcyjna/

Warsaw, 10 November 2015

of MIDAS Spółka Akcyjna

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3-MONTH AND 9-MONTH PERIOD ENDED 30 SEPTEMBER 2015

TABLE OF CONTENTS

(in PLN '000, except for items otherwise indicated)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the 9-month period ended 30 September 2015

	Note	3-month period ended 30 September 2015 *(unaudited)*	9-month period ended 30 September 2015 *(unaudited)*	3-month period ended 30 September 2014 *(unaudited)*	9-month period ended 30 September 2014 *(unaudited)*
Continuing operations					
Revenues from core operating activities	7.1	18,044	47,921	44,764	68,676
Own costs from core operating activities	7.2	(9,485)	(34,174)	(38,850)	(55,988)
Depreciation and amortisation		(7)	(16)	(7)	(22)
Wages and salaries		(155)	(600)	(272)	(1,487)
Other expenses by type		(389)	(1,296)	(1,099)	(2,856)
Other operating revenues		1	5	30	37
Other operating expenses		-	(3)	-	(27)
Profit on operating activities		**8,009**	**11,837**	**4,566**	**8,333**
Financial revenues	7.3	4	14	88	472
Financial costs		-	(1)	-	-
Profit on financial activities		**4**	**13**	**88**	**472**
Profit before tax		**8,013**	**11,850**	**4,654**	**8,805**
Current income tax		-	-	-	-
Deferred tax	8	(1,533)	(2,263)	-	-
Total income tax		**(1,533)**	**(2,263)**	**-**	**-**
Net profit on continuing operations		**6,480**	**9,587**	**4,654**	**8,805**
Net profit/ (loss) from discontinued operations		**-**	**-**	**-**	**-**
Net profit		**6,480**	**9,587**	**4,654**	**8,805**
Other comprehensive income		**-**	**-**	**-**	**-**
COMPREHENSIVE INCOME		**6,480**	**9,587**	**4,654**	**8,805**
Average weighted number of ordinary shares		1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Net earnings on continuing operations , per 1 share, attributable to shareholders of the parent company (in PLN)		0.0044	0.0065	0.0031	0.0060

Krzysztof Adaszewski
/President of the Management Board/
/on behalf of SFERIA Spółka Akcyjna/

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

(in PLN '000, except for items otherwise indicated)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

as at 30 September 2015

ASSETS	Note	30 September 2015 *(unaudited)*	31 December 2014
Non-current assets			
Property, plant and equipment	9	39	55
Non-current financial assets	10	1,329,794	1,436,976
Total non-current assets		**1,329,833**	**1,437,031**
Current assets			
Inventories		7	-
Trade and other receivables	12	2,354	4,628
Loans granted	13	258,295	251,302
Other assets	10	403	637
Other prepayments		82	7
Cash and cash equivalents	11	2,725	3,350
Total current assets		**263,866**	**259,924**
Total assets		**1,593,699**	**1,696,955**

EQUITY AND LIABILITIES	Note	30 September 2015 *(unaudited)*	31 December 2014
Equity			
attributable to shareholders of the Company, of which:			
Share capital		147,967	147,967
Supplementary capital		1,140,860	1,140,860
Uncovered losses		(55,137)	(64,724)
Accumulated losses		(64,724)	(77,105)
Net profit for the current period		9,587	12,381
Total equity		**1,233,690**	**1,224,103**
Non-current liabilities			
Borrowings	15	-	137,499
Liabilities from issue of bonds	15	355,431	328,054
Deferred tax liability	8	4,270	2,007
Total non-current liabilities		**359,701**	**467,560**
Current liabilities			
Trade and other liabilities	16	109	827
Borrowings	15	-	4,298
Accruals		199	167
Total current liabilities		**308**	**5,292**
Total equity and liabilities		**1,593,699**	**1,696,955**

Krzysztof Adaszewski
/President of the Management Board/
/on behalf of SFERIA Spółka Akcyjna/

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

INTERIM CONDENSED STATEMENT OF CASH FLOWS

(in PLN '000, except for items otherwise indicated)

for the 9-month period ended 30 September 2015

	Note	**9-month period ended 30 September 2015** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Gross profit		**11,850**	**8,805**
Depreciation and amortisation of fixed and intangible assets		16	22
Interest and commission expenses		34,108	55,908
Profit/ (loss) on investing activities		3	(4)
Change in the balance of assets and liabilities related to operating activities:			
– Trade and other receivables		2,721	(3,872)
– Inventories		(7)	-
– Trade and other liabilities		(447)	150
– Accruals		(30)	(7)
Revenues from interest and commissions		(43,540)	(59,730)
Revaluation of embedded derivative		(4,381)	(5,108)
Other adjustments		66	79
Adjustments of total gross profit		**359**	**(3,757)**
Other cash flows from operating activities			
Loans granted		-	(50,000)
Interest received		7,000	-
Commissions received		1,793	-
Other cash flows from operating activities		**8,793**	**(50,000)**
Net cash flow from operating activities		**9,152**	**(53,757)**
Purchase of property, plant and equipment and intangible assets		(3)	(41)
Proceeds from sales of property, plant and equipment and intangible assets		35	58
Purchase of other financial assets (shares)	10	(5,385)	-
Net cash flow from investing activities		**(5,353)**	**17**
Expenses related to issuing bonds		(52)	(52)
Commission and interest paid in connection with bank credit		(4,372)	(4,728)
Net cash flow from financing activities		**(4,424)**	**(4,780)**
Net decrease in cash and cash equivalents		**(625)**	**(58,520)**
Cash and cash equivalents at the beginning of the period		**3,350**	**65,543**
Cash and cash equivalents at the end of the period	11	**2,725**	**7,023**

Krzysztof Adaszewski
/President of the Management Board/
/on behalf of SFERIA Spółka Akcyjna/

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

(in PLN '000, except for items otherwise indicated)

for the 9-month period ended 30 September 2015

	Note	Share capital	Supplementary capital	Uncovered losses	Total equity
As at 1 January 2015		**147,967**	**1,140,860**	**(64,724)**	**1,224,103**
Net loss for the period		-	-	*9,587*	*9,587*
Comprehensive income for the period		-	-	9,587	9,587
As at 30 September 2015 *(unaudited)*		**147,967**	**1,140,860**	**(55,137)**	**1,233,690**

	Note	Share capital	Supplementary capital	Uncovered losses	Total equity
As at 1 January 2014		**147,967**	**1,140,860**	**(76,807)**	**1,212,020**
Settlement of the business combination		-	-	(298)	(298)
Net loss for the period		-	-	*8,805*	*8,805*
Comprehensive income for the period		-	-	8,805	8,805
As at 30 September 2014 *(unaudited)*		**147,967**	**1,140,860**	**(68,300)**	**1,220,527**

Krzysztof Adaszewski
/President of the Management Board/
/on behalf of SFERIA Spółka Akcyjna/

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed financial statements of the Company covers the 3- and 9-month periods ended 30 September 2015 and contain comparative data for the 3- and 9-month periods ending on 30 September 2014 and as at 31 December 2014.

The interim condensed statement of comprehensive income includes data for the 9-month period ended 30 September 2015, the 3-month period ended 30 September 2015, and comparative data for the 9-month period ended 30 September 2014 and the 3-month period ended 30 September 2014. The data for the 3-month and 9-month period ended 30 September 2015 and the comparative data for the 3-month and 9-month period ended 30 September 2014 were not subject to a review or an audit by an independent auditor.

On 10 November 2015, these interim condensed financial statements of Midas S.A. for the 3-month and 9-month periods ended 30 September 2015, were authorised by Midas S.A. (the "Management Board") for issue.

Midas S.A. also prepared interim condensed consolidated financial statements for the 3-month and 9-month period ended on 30 September 2015, which were approved by the Management Board for publication on 10 November 2015.

1. General information

Midas S.A. (the "Company", "Midas", "Issuer") is a joint-stock company with its registered office in Warsaw at al. Stanów Zjednoczonych 61a, whose shares are in public trading.

Midas is the parent company of the Midas S.A. Capital Group (the "Group", "Midas Group").

The Company is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, Department XII Commercial of the National Court Register, under KRS 0000025704. The Company was granted statistical identification number REGON 010974600.

The Company is established in perpetuity.

The main area of the Company's business activities includes:

- Activities of holding companies (64.20.Z)
- Other credit granting (64.92.Z)
- Other financial services activities, not classified elsewhere, except for insurance and pension funds (64.99.Z)
- Other activities auxiliary to financial services, except for insurance and pension funds (66.19.Z)
- Buying and selling of own real estate (68.10.Z)

2. Basis for preparing the interim condensed financial statements

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" adopted by the EU ("IAS 34").

These interim condensed financial statements have been presented in Polish zlotys (PLN), and all values are given in thousands (PLN '000) except when otherwise indicated.

These interim condensed financial statements were prepared assuming that the Company would continue as a going concern in the foreseeable future. As at the date of approval of these interim financial statements, no circumstances were identified that would pose a threat to the continued activity of the Company.

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2014, published on 3 March 2015. On 24 June 2015 the financial statements for the year ended on 31 December 2014 were approved by the Ordinary General Shareholders Meeting of Midas. The Ordinary General Shareholders Meeting of Midas allocated net profit for the financial year 2014 in the amount of PLN 12,381,000 to covering losses from the previous years.

The interim financial result may not fully reflect the financial result which can be realised for the financial year.

3. Summary of significant accounting policies

The accounting policies adopted in preparing the interim condensed financial statements are consistent with those adopted in preparing the annual financial statements of the Company for the year ended 31 December 2014, except for the following new or amended standards and interpretations in force for annual periods beginning on or after 1 January 2015:

- *Changes resulting from the review of IFRS 2011-2013* including:

  - Amendments to IFRS 3 *Business combinations*
    After the changes, not only joint ventures, but also joint contractual arrangements are out of the scope of IFRS 3. The exception applies only to the preparation of the financial statements. The change is applied prospectively.

    The application of these changes had no effect on the financial position or operating results of the Company.
  - Amendments to IFRS 13 *Measurement at fair value*
    After the changes, the exception for the investment portfolio applies not only to financial assets and liabilities but also to other agreements covered by IAS 39. Changes are applied prospectively.

    The application of these changes had no effect on the financial position or operating results of the Company.
  - Amendments to IAS 40 *Investment properties*
    A description of the additional services contained in IAS 40 distinguishes between investment properties and properties occupied by their owner (property, plant and equipment). The change is applied prospectively and explains that IFRS 3, and not the definition of additional services contained in IAS 40, is used to determine whether the transaction is the acquisition of an asset or of an undertaking.

    The application of these changes had no effect on the financial position or operating results of the Company.

- IFRIC 21 *Levies*
  According to that interpretation, the entity discloses liabilities under levies when there is an obligating event, i.e. action triggering the obligation to pay the levy pursuant to applicable laws. In the case of fees due after exceeding the minimum threshold, the entity does not recognise the liability until when the threshold is reached. IFRIC 21 is applied retrospectively.

  The application of these changes had no effect on the financial position or operating results of the Company.

The Company decided against early application of any standard, interpretation or amendments which have been published but have not entered into force.

4. Significant values based on professional judgement and estimates

In the 9-month period ended 30 September 2015, the Management Board of the Company assessed significant values that affect the carrying amounts of assets and liabilities and evaluated key assumptions about the future in the same areas as those disclosed in Note 6 to the 2014 annual standalone financial statements.

The Management Board's assessment remained the same as the assessment disclosed in the 2014 non-consolidated financial statements.

5. Business segments

The Company conducts holding activities which focus on organising financing for its subsidiaries.

(in PLN '000, except for items otherwise indicated)

The Management Board treats the entire group as a single operating segment and evaluates the financial results of the Group based on the consolidated financial statements.

6. Seasonality of activities

The Company's activities are not seasonal in nature. Therefore, the results presented by the Company do not show any significant fluctuations during the year.

7. Revenues and expenses

7.1. Revenues from core operating activities

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Revenues from interest on borrowings granted to subsidiaries	12,869	42,040	36,687	59,730
Other revenues from subsidiaries	-	1,500	3,837	3,837
Revaluation of embedded derivative	5,175	4,381	4,240	5,108
Positive exchange rate differences	-	-	-	1
Total	**18,044**	**47,921**	**44,764**	**68,676**

During the 9-month period ended 30 September 2015, revenues from core operating activities decreased by PLN 20,755,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, revenues from core operating activities decreased by PLN 26,720,000 in comparison to the corresponding period of the previous year. The foregoing changes result mainly from the recognition in the 3-month period ended 30 September 2014 of a change in the interest rate on long-term loans granted to subsidiaries from the proceeds from the issue of bonds. The interest rate change was a consequence of a change in the collateral for the issued bonds. The interest rate on the loans increased by 1.7 percentage points then. The difference in the amount of interest discounted by the effective interest rate over the outstanding repayment period increased the revenues for the period by PLN 24,280,000.

7.2. Own costs from core operating activities

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Interest on bonds	9,463	27,351	37,542	51,745
Interest on bank loans received	-	5,590	1,174	3,591
Commission on bank loans received	-	1,167	115	572
Other expenses	22	66	19	80
Total	**9,485**	**34,174**	**38,850**	**55,988**

During the 9-month period ended 30 September 2015, costs of core operating activities decreased by PLN 21,814,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, costs of core operating activities decreased by PLN 29,365,000 in comparison to the corresponding period of the previous year. The foregoing changes result mainly from the recognition in the 3-month period ended 30 September 2014 of expenses related to a change in the collateral for the issue of bonds. Under the conditions of issue of the bonds, the discount rate increased by 1.7 percentage points. The difference in the nominal value of the bonds, discounted by the effective rate of discount over the outstanding repayment period, resulted in a charge for the period in the amount of PLN 29,833,000.

(in PLN '000, except for items otherwise indicated)

7.3. Financial revenues

During the 9-month period ended 30 September 2015, financial revenues decreased by PLN 84,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 September 2015, financial revenues decreased by PLN 458,000 in comparison to the corresponding period of the previous year. The above changes resulted from the lower value of funds invested and changes in bank deposit interest rates.

8. Income tax

As at 30 September 2015, the Company updated the value of the deferred income tax provision referring to the Company's interest revenues. As at 30 September 2015 the recognised value of the provision was PLN 4,270,000 (PLN 2,007,000 as at 31 December 2014).

9. Property, plant and equipment

9.1. Purchases and disposals

During the 9-month period ended 30 September 2015, the Company did not make investments into property, plant and equipment (during the 9-month period ended 30 September 2014 – PLN 41,000). During the 9-month period ended 30 September 2015, the Company did not sell significant items of property, plant and equipment (in the corresponding period of the previous year, the Company sold items of property, plant and equipment with a value of PLN 54,000).

9.2. Impairment write downs

During the 9-month period ended 30 September 2015, the Company did not recognise any significant impairment of property, plant and equipment (as was the case in the corresponding period of the previous year).

10. Other non-current and current assets

During the 9-month period ended 30 September 2015, there was a change in the value of other (non-current) financial assets in comparison to the balance as at 31 December 2014.

Other non-current financial assets comprise the following items:

	30 September 2015 *(unaudited)*	**31 December 2014**
Shares, of which:		
CenterNet S.A.	-	238,989
Mobyland Sp. z o.o.	178,770	178,770
Aero2 Sp. z o.o.	787,433	548,444
AltaLog Sp. z o.o.	5,389	-
Loans granted (including interest)*	299,174	416,126
Embedded derivatives – option of early redemption of bonds	59,028	54,647
Total	**1,329,794**	**1,436,976**

*change resulting from the combination of Aero2 Sp. z o.o. with CenterNet S.A.
**details concerning long-term loans granted in 2015 are described in Note 13.

Shares

In the 9-month period ended 30 September 2015, the Management Board of the Company did not make any changes to the Group's long-term financial plans. The Group carries out financial plans as intended so the Management Board does not see any indications for the impairment of shares and holdings in subsidiaries. The most recent impairment test was described in the financial statements for the year ended 31 December 2014 (Note 17).

(in PLN '000, except for items otherwise indicated)

Embedded derivative

As at 30 September 2015, the Company revalued the embedded derivative. The change in the value of the embedded derivative results from changes in market parameters, including changes in the profitability of bonds with similar maturities.

The option of early repurchase was valuated using the Leisen-Reimer binomial tree model. The variability of the price of the bonds analysed was modelled. As the initial value of the bonds, their value as at the measurement date, determined in accordance with the above description, was accepted. The parameter of variability of the bonds analysed was determined on the basis of an analysis of the variability of the profitability of corporate bonds in EUR with a rating of BBB and a maturity period of 7 years.

The fair value was determined in accordance with the level 3 in the fair value hierarchy.

The value of the early repurchase option as at different reporting dates was presented under Note 10. The change in the value is reflected in revenues from core operating activities (Note 7.1).

In the period ended 30 September 2015 and in the period ended 30 September 2014 there were no movements between the level 1 and the level 2 of the fair value hierarchy and none of the instruments was moved from/to the level 3 of the fair value hierarchy.

Purchase of the shares in AltaLog Sp. z o.o.

On 5 August 2015 Midas acquired 3,630 shares in AltaLog for the price of PLN 5,326,000. The acquired shares represent a 66% share in the share capital of AltaLog and give the right to 66% of votes on the general meeting of AltaLog. The nominal value of one share is PLN 1,000, and the total nominal value of the acquired shares amounts to PLN 3,630,000. The advance payment for the shares was paid on 22 June 2015, the remaining balance, i.e. PLN 5,060,000 was paid on 5 August 2015.

Other current assets

The item other current assets is showing a portion of the commission on the bank credit obtained that has not been allocated to the credit tranches drawn down to date.

11. Cash and cash equivalents

For the purpose of the interim condensed statement of cash flow, cash and cash equivalents comprise the following:

	30 September 2015 *(unaudited)*	**31 December 2014**	**30 September 2014** *(unaudited)*
Cash at bank and on hand	2,725	2,702	5,187
Short-term bank deposits	-	648	1,836
Cash and cash equivalents	**2,725**	**3,350**	**7,023**

12. Trade and other receivables

During the 9-month period ended 30 September 2015, there was a change in the value of trade receivables in comparison to the balance as at 31 December 2014. Receivables comprise the following items:

	30 September 2015 *(unaudited)*	**31 December 2014**
Receivables from the sale of fixed assets	-	35
Receivables from related parties	2,350	4,593
Other receivables	4	-
Total	**2,354**	**4,628**

The decrease in the value of receivables results from the repayment of receivables by the subsidiary Aero2.

(in PLN '000, except for items otherwise indicated)

13. Loans granted

Details of borrowings granted in preceding years are presented in the table below:

Company	Amount of borrowing	Date borrowing repaid	Interest rate and other conditions of the borrowing
Mobyland	122,000	to 16 April 2021 (in accordance with bond repayment date)	margin plus cost of servicing the debt from zero coupon bonds issued by MIDAS S.A. on 16 April 2013
Mobyland	35,000	31.12.2015	1M WIBOR plus margin, interest accrued in arrears – 1M WIBOR from the second business day preceding the commencement of the interest period, assuming that the year has 365 days
Aero2	78,000	to 16 April 2021 (in accordance with bond repayment date)	margin plus cost of servicing the debt from zero coupon bonds issued by MIDAS S.A. on 16 April 2013
Aero2	145,000	to 31 March 2018 (in accordance with the repayment schedule set out in the agreement)	cost of debt to Alior (1M WIBOR plus margin)
Aero2	169,000	31.12.2015	1M WIBOR plus margin, interest accrued in arrears – 1M WIBOR from the second business day preceding the commencement of the interest period, assuming that the year has 365 days
CenterNet (currently Aero2)	16,500	31.12.2015	1M WIBOR plus margin, interest accrued in arrears – 1M WIBOR on the borrowings repayment date

The borrowings were granted for the purpose of financing the expansion and maintenance of the telecommunications network of the Midas Group, conducted as part of the normal operations of the Midas Group.

Loans granted during the reporting period

During the 9-month period ended 30 September 2015 the Company granted a long-term loan to Aero2 in the amount of PLN 5,000,000 (the amount of PLN 5,000,000 was obtained from the credit granted by Alior Bank and was transferred directly to Aero2's account).

Details of the loan granted are presented in the table below:

Company	Amount of borrowing	Date borrowing granted	Date borrowing repaid	Interest rate and other conditions of the borrowing
Aero2	5,000	24.04.2015	31.03.2018	cost of debt to Alior (1M WIBOR plus margin)

The above loan was granted for the purpose of financing the expansion and maintenance of the telecommunications network of the Midas Group.

Repayments of loans in the reporting period

On 30 June 2015 Aero2 made an early repayment of the principal under the loan granted by the Company in the amount of PLN 150,000,000 (loan granted from the funds originating from the loan granted by Alior Bank under the loan agreement of 13 September 2013). In accordance with the agreement between Aero2 and Midas, by 30 September 2015 Aero2 reimbursed interest amounting to PLN 7,000,000 and the outstanding balance of interest amounting to PLN 3,703,000 will be repaid no later than by 31 March 2016. At the same time Midas repaid the credit at Alior Bank from funds originating from the loan granted by Bank Polska Kasa Opieki S.A. ("Bank Pekao") as described under Note 15 (PLN 150,000,000). The above operations were settled without any cash flows between the Group companies (funds were transferred between banks). After the foregoing transactions the nominal value of Aero2 loan from Midas was converted into Aero2 loan at Bank Pekao. Repayment of the loan results from the Group refinancing the investment credit at Alior Bank as described under Note 15.

The balance of loans granted to subsidiaries as at 30 September 2015 was presented below:

	30 September 2015 *(unaudited)*	31 December 2014
Loans granted (together with interest accrued)	557,469	667,428
Total	**557,469**	**667,428**
Loans granted – current	258,295	251,302
Loans granted – non-current (presented in the statement of financial position under financial assets (non-current))	299,174	416,126

14. Provisions

During the 9-month period ended 30 September 2015, there were no movements in the level of provisions created.

15. Interest-bearing bank loans and bonds

Drawing on a subsequent tranche of the credit granted by Alior Bank

On 24 April 2015, the Company drew down another tranche of the investment loan (agreement with Alior Bank of 28 February 2013) in the amount of PLN 5,000,000. The funds from the loan were sent directly to the bank account of the Company's subsidiary, Aero2, in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. In the statement of financial position, the value shown of liabilities from the loan was based on the effective interest rate, taking account of expenses incurred in connection with obtaining the financing. The entire balance of the credit was repaid before its original maturity.

Repayment of the investment credit granted by Alior Bank

On 1 July 2015 the Company received from Alior Bank a confirmation of repayment on 30 June 2015 of the investment credit. Thus, the credit whose final repayment under the agreement signed on 28 February 2013 was set at 31 March 2018 was closed earlier on 30 June 2015.

Amendment to terms and conditions of the credit agreement with Bank Pekao

On 26 June 2015 the Company together with subsidiaries Aero2 and Mobyland entered with Bank Pekao into the annex to the agreement for financing the development of the LTE and HSPA+ telecommunications network of 10 July 2014 (the "Credit Agreement").

The annex signed modified terms and conditions of the Credit Agreement to the following extent:

1. increasing the credit amount from PLN 200,000,000 to PLN 350,000,000;

2. extending the use of the credit by refinancing the existing credit from Alior Bank in the amount of PLN 150,000,000;

3. defining the credit availability period by the end of December 2015, including by the end of July 2015 for refinancing the credit from Alior Bank;

4. credit repayment: in equal monthly instalments from the end of January 2016;

5. legal collaterals: modification of the cash deposit conditions (DSRA) to PLN 20,000,000 (currently deposited amount) instead of 10% of the actual commitment,

6. the Annex did not provide for any amendments to other terms and conditions of the Credit Agreement, including to the method how to calculate interest, contractual penalties, conditions or periods.

Raising the credit amount required increases to collaterals (signing respective collateral agreements and their registration).

On 7 August 2015 Midas, Aero2 and Mobyland received copies of the annexes to the collateral agreements signed on 6 August 2015 by Bank Pekao and the a/m companies. Amendments to Registered Pledge Agreements on Aero2 and Mobyland shares include increasing the maximum collateral amount to PLN 525,000,000. Amendments to Registered Pledge Agreements on groups of movables and rights constituting an organised business whole with variable include raising the total collateral value under registered pledges established on the a/m groups of Mobyland and Midas up to PLN 525,000,000, and Aero2 to PLN 622,000,000. In addition, the Company, Aero2 and Mobyland submitted declarations of voluntary submission to enforcement under the procedure of Article 777 par. 1 pt. 5 of the Code of Civil Procedure up to PLN 525,000,000. All the other amendments in the agreements were technical only and resulted from the combination of Aero2 and Centernet S.A. entered in the Commercial Register on 31 December 2014 and from changes in registered offices of Midas, Aero2 and Mobyland.

On 21 August 2015 Midas received a decision of the District Court for the City of Warsaw in Warsaw, Department XI Commercial – Register of Pledges of 11 August 2015 on a change in the registered pledge established for Bank Pekao, constituting a collateral for the investment credit on 204,200 shares in Mobyland representing 100% of the share capital of Mobyland, disclosed in the Company's accounting books at a book value of PLN 178,800,000, including raising the maximum collateral up to PLN 525,000,000. Furthermore, the Company received the Court's decision to enter in the pledge register, on 12 August 2015, the pledge, established in favour of Bank Pekao, on a group of moveable goods and rights constituting part of the business of Mobyland, disclosed in the Company's books of account at a book value of PLN 102,100,000, and constituting collateral on a liability stemming from the above loan, including raising the maximum collateral up to PLN 525,000,000.

On 28 August 2015 Midas received the decision of the District Court for the City of Warsaw, Department XI Commercial of the Pledge Register, of 18 August 2015 on a change in the registered pledge established for Bank Polska Kasa Opieki S.A., constituting a collateral for the investment credit on sets of movable goods and rights constituting an organised business whole with variable composition, owned by Aero2. The change consists in the increase of the maximum collateral amount from PLN 396,700,000 to PLN 622,000,000. The value of record of the aforementioned set as at 30 June 2015 was PLN 858,300,000.

On 10 September 2015 Midas received the decision of the District Court for the City of Warsaw, Department XI Commercial of the Pledge Register, of 3 September 2015 on a change in the registered pledge established for Bank Polska Kasa Opieki S.A., constituting a collateral for the investment credit, on 221,000 shares of nominal value PLN 50 each, held by the Company in Aero2 and constituting 99.5% of interest in Aero2's share capital. The change consists in the increase of the maximum collateral amount from PLN 300,000,000 to PLN 525,000,000. There was also a change in the registered pledge established for the Bank, constituting a collateral for the Credit, on 1,000 shares of nominal value PLN 50 each, held by the Company in Aero2 and constituting 0.5% of interest in Aero2's share capital. The change consists in the increase of the maximum collateral amount from PLN 300,000,000 to PLN 525,000,000. The value of record of 100% of the shares in Aero2 as at 30 June 2015 was PLN 787,000,000.

Bonds

During the 9-month period ended 30 September 2015, there was an increase in the value of liabilities under the issue of bonds. The change results from calculating the discount on the series A bonds. The amount of discount was added to the existing debt under the series A bonds.

On 20 July 2015 the Meeting of Bondholders of series A bonds issued by Midas was held. The Meeting adopted resolutions on amendments to the Bond Issue Conditions. The Meeting expressed consent among others to exclusion of the leverage ratio as the covenant under the bonds, a change to the definition of the Authorised Acquisition in order to permit the Issuer to acquire directly or indirectly shares in a business carrying out the same or complementary activities to the core business of the Issuer and a change to the pledge administration agreement.

16. Trade and other liabilities

During the 9-month period ended 30 September 2015, liabilities of the Company decreased by PLN 718,000 in comparison to the balance as at 31 December 2014. The change results mainly from repayment of public charges and liabilities towards Midas' subsidiaries.

17. Financial risk management objectives and policies

During the 9-month period ended 30 September 2015, the Company did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk in relation to those described in the annual standalone financial statements for 2014.

(in PLN '000, except for items otherwise indicated)

18. Capital management

During the 9-month period ended 30 September 2015, the Company did not change its goals, principles or procedures for capital management compared to those disclosed in the 2014 annual standalone financial statements.

19. Contingent liabilities and contingent assets

In the 9-month period ended 30 September 2015, there were no changes in contingent liabilities or contingent assets compared with the data disclosed in the 2014 annual standalone financial statements.

In the current reporting period, there were no proceedings pending in relation to Midas. Proceedings pending indirectly against Midas subsidiaries for the 1800 MHz frequency were described under Note 25 to the condensed consolidated financial statements for the 3-month and 9-month periods ended 30 September 2015. Midas Group companies participate in those proceedings as interested parties, as these proceedings are largely directed against the administrative decisions issued by the President of the OEC. However, indirectly, handing down a binding resolution in each of these proceedings may result in the President of the OEC ruling to sustain, change or repeal previous resolutions that directly concern frequency reservations issued to CenterNet and Mobyland in 2007.

The Management Board of the Company is not able to predict the final outcome of the proceedings concerning frequency reservations pending indirectly against the subsidiaries of Midas, but, taking account of the legal analysis, it is of the opinion that the issue should not have an adverse impact on the recoverable value of shares in subsidiaries. The value of investments in subsidiaries is presented in Note 10 to these condensed separate financial statements.

20. Capex liabilities

As at 30 September 2015 and as at 31 December 2014, the Company did not incur any capex liabilities that have not been disclosed in these financial statements.

21. Transactions with related parties

The table below presents the total values of transactions with related parties entered into during the 3-month and 9-month periods ended 30 September 2015 and 30 September 2014, respectively, and the balances of receivables and liabilities as at 30 September 2015 and 31 December 2014:

		Revenues from mutual transactions, of which:	**interest on borrowings**	**other revenues on operating activities**	**other**
Subsidiaries	**3-month period ended 30 September 2015** *(unaudited)*	12,869	12,869	-	-
	9-month period ended 30 September 2015 *(unaudited)*	43,540	42,040	1,500	-
	3-month period ended 30 September 2014 *(unaudited)*	40,551	36,687	3,864	-
	9-month period ended 30 September 2014 *(unaudited)*	63,652	59,730	3,864	58
Entities controlled by a person	**3-month period**	-	-	-	-

(in PLN '000, except for items otherwise indicated)

(or members of their family) who controls, jointly controls or has significant influence over Midas S.A.	**ended 30 September 2015** *(unaudited)*				
	9-month period ended 30 September 2015 *(unaudited)*	-	-	-	-
	3-month period ended 30 September 2014 *(unaudited)*	-	-	-	-
	9-month period ended 30 September 2014 *(unaudited)*	38	-	-	38

		Costs of mutual transactions, of which:	**other**
Subsidiaries	**3-month period ended 30 September 2015** *(unaudited)*	55	55
	9-month period ended 30 September 2015 *(unaudited)*	140	140
	3-month period ended 30 September 2014 *(unaudited)*	337	337
	9-month period ended 30 September 2014 *(unaudited)*	407	407
Entities controlled by a person (or members of their family) who controls, jointly controls or has significant influence over Midas S.A.	**3-month period ended 30 September 2015** *(unaudited)*	82	82
	9-month period ended 30 September 2015 *(unaudited)*	264	264
	3-month period ended 30 September 2014 *(unaudited)*	675	675
	9-month period ended 30 September 2014 *(unaudited)*	1,950	1,950

		Receivables from related parties, of which:	**trade**	**borrowings**
Subsidiaries	**30 September 2015** *(unaudited)*	559,819	2,350	557,469
	31 December 2014	672,021	4,593	667,428

		Liabilities towards related parties, of which:	**trade**
Subsidiaries	**30 September 2015** *(unaudited)*	-	-
	31 December 2014	348	348
Entities controlled by a person	**30 September**		

(in PLN '000, except for items otherwise indicated)

(or members of their family) who controls, jointly controls or has significant influence over Midas S.A.	**2015** *(unaudited)*	26	26
	31 December 2014	217	217

22. Remuneration of the Company's management staff

	3-month period ended 30 September 2015 *(unaudited)*	**9-month period ended 30 September 2015** *(unaudited)*	**3-month period ended 30 September 2014** *(unaudited)*	**9-month period ended 30 September 2014** *(unaudited)*
Management Board				
Current employee benefits or similar (wages and salaries and mark-ups)	125	428	120	962
Supervisory Board				
Current employee benefits or similar (wages and salaries and mark-ups)	14	60	12	76
Total	**139**	**488**	**132**	**1,038**

23. Subsequent events

On 7 October 2015, a plan was agreed and signed for a merger by takeover (the "Merger") between the companies Aero2 (as the acquiring company) and Mobyland (as the target company). The decision to merge the two companies results from the desire to optimise and streamline the ownership structure of the Midas Group. It was decided that the Merger will be effected by: (i) a dissolution of Mobyland without proceeding with its liquidation and (ii) a transfer of all assets, equity and liabilities from Mobyland to Aero2 by way of universal succession pursuant to the provisions of Article 492 par. 1 pt. 1) of the Commercial Companies Code. Following the Merger, pursuant to Article 494 par. 1 of the Commercial Companies Code Aero2 will enter into all the rights and obligations of Mobyland. As at the date of signing the merger plan and as at the date hereof, the Company was the sole shareholder of both Aero2 and Mobyland. As a result of the Merger, the share capital of Aero2 will be increased from PLN 11,100,000 to PLN 113,200,000, i.e. by PLN 102,100,000, by creating 2,042,000 new shares with a nominal value of PLN 50 each. As a result of the Merger, the Company, as the sole shareholder of Mobyland, will receive 2,042,000 new shares in the share capital of Aero2 with the nominal value of PLN 50 each in exchange for 204,200 existing shares in the share capital of Mobyland with the nominal value of PLN 500 each. In the Company's opinion, the merger of subsidiaries will not have a significant effect on the consolidated financial results of the Midas Group or on its operations.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Krzysztof Adaszewski	Piotr Janik
/President of the Management Board/	/Vice-President of the Management Board/

SIGNATURE OF THE PERSON KEEPING THE BOOKS OF ACCOUNT:

Teresa Rogala
/on behalf of SFERIA
Spółka Akcyjna/

Warsaw, 10 November 2015

OTHER INFORMATION FOR THE QUARTERLY REPORT

1. Structure of the Midas Group

Midas Spółka Akcyjna (the "Company", the "Issuer") is the parent company of the Midas Capital Group (the "Midas Group").

The Company's business activities include:
1) activities of holding companies (64.20.Z),
2) other credit granting (64.92.Z),
3) other financial service activities, except
insurance and pension funding, not elsewhere classified (64.99.Z),
4) other activities auxiliary to financial services, except insurance and
pension funding (66.19.Z),
5) buying and selling of own real estate (68.10.Z).

The Company and the entities belonging to the Midas Group are established in perpetuity.

As at 30 September 2015, the composition of the Supervisory Board of the Company was as follows:
1) Wojciech Pytel – Chairman of the Supervisory Board
2) Zygmunt Solorz-Żak – Deputy Chairman of the Supervisory Board
3) Andrzej Abramczuk – Secretary of the Supervisory Board
4) Andrzej Chajec – Member of the Supervisory Board
5) Krzysztof Majkowski – Member of the Supervisory Board
6) Mirosław Mikołajczyk – Member of the Supervisory Board
7) Wiesław Walendziak – Member of the Supervisory Board

As at 30 September 2015, the composition of the Management Board was as follows:
1) Krzysztof Adaszewski – President of the Management Board
2) Piotr Janik – Vice-President of the Management Board

The intermediate parent of the Company is the company Litenite Limited with its registered office in Nicosia, Cyprus ("Litenite").

As at 30 September 2015, the Midas Group consisted of the Company and the following subsidiaries:
- Aero2 Spółka z o.o. with its registered office in Warsaw ("Aero2"),
- Mobyland Spółka z o.o. with its registered office in Warsaw ("Mobyland"),
- AltaLog Sp. z o.o. with its registered office in Warsaw ("AltaLog").

All of the above subsidiaries are subject to full consolidation for the purpose of preparing the consolidated financial statements of the Midas Group for the third quarter of 2015.

As at 30 September 2015, and as at the date hereof, the Company held a 100-per cent share of equity and of the total number of votes in relation to the companies: Mobyland and Aero2 and a 66-per cent share of equity and of the total number of votes in AltaLog.

The Midas Group's core business is the provision of wholesale wireless data transmission services by Aero2 and Mobyland. Furthermore, Aero2 provides telecommunications services to individual customers. The wholesale wireless data transmission services are delivered on the basis of: (i) the frequency ranges reserved for Aero2 and Mobyland, and (ii) the telecommunications infrastructure held by Aero2. In addition, another important factor is the shared use of the telecommunications infrastructure of Polkomtel Sp. z o.o. with its registered office in Warsaw. It should also be noted that, due to the frequency reservation obtained in the 2600 MHz range, Aero2 is required to provide free internet access. AltaLog carries out activities which are complementary to the core activities of the Midas Group related to software and among others management of IT devices as well as research and technical analyses.

2. Changes in the structure of the Midas Group and their consequences

In the third quarter of 2015 the Company acquired 3,630 shares in AltaLog sp. z o.o. with its registered office in Warsaw ("AltaLog") representing a 66% share in the share capital of the a/m company and giving the right to 66% of votes on the general meeting. The acquisition of the shares in AltaLog was aimed at purchasing assets which may be complementary to the Midas Group's operations and may contribute to the implementation of its strategy.

On 7 October 2015 (subsequent event), a plan was agreed and signed for a merger by takeover between the companies Aero2 (as the acquiring company) and Mobyland (as the target company). The decision to merge the two companies resulted from the desire to optimise and streamline the ownership structure of the Midas Group. It was decided that the Merger will be effected by: (i) a dissolution of Mobyland without proceeding with its liquidation and (ii) a transfer of all assets, equity and liabilities from Mobyland to Aero2 by way of universal succession pursuant to the provisions of Article 492 par. 1 pt. 1) of the Commercial Companies Code. Following the Merger, pursuant to Article 494 par. 1 of the Commercial Companies Code Aero2 will enter into all the rights and obligations of Mobyland. As at the date of signing the merger plan and as at the date hereof, the Company was the sole shareholder of both Aero2 and Mobyland. As a result of the Merger, the share capital of Aero2 will be increased from PLN 11,100,000 to PLN 113,200,000, i.e. by PLN 102,100,000, by creating 2,042,000 new shares with a nominal value of PLN 50 each. As a result of the Merger, the Company, as the sole shareholder of Mobyland, will receive 2,042,000 new shares in the share capital of Aero2 with the nominal value of PLN 50 each in exchange for 204,200 existing shares in the share capital of Mobyland with the nominal value of PLN 500 each. In the Company's opinion, the merger of subsidiaries will not have a significant effect on the consolidated financial results of the Midas Group or on its operations.

3. Structure of the share capital

As at 30 September 2015 and as at the date hereof, the Company's share capital amounts to PLN 147,966,675 and is divided into 1,479,666,750 ordinary bearer shares with a nominal value of PLN 0.10 each, of which:

1) 11,837,334 are series A shares,
2) 47,349,336 are series B shares,
3) 236,746,680 are series C shares,
4) 1,183,733,400 are series D shares.

Each ordinary share carries the right to one vote at the General Meeting of Shareholders of the Company. All shares issued were paid in full and registered with the National Court Register.

4. Shareholding structure

The table below shows the shareholders of the Company who, as at the date of this quarterly report, i.e. 10 November 2015, hold, either directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders of the Company. To the Company's best knowledge, the following list has been drawn up on the basis of notifications received by the Company from the shareholders pursuant to Article 69 of the Act on public offering and conditions for the introduction of financial instruments to organised trading, and public companies (the "Act on Public Offering"), and pursuant to Article 160 of the Act on trading in financial instruments (the "Act on Trading").

(in PLN '000, except for items otherwise indicated)

Name of shareholder of the Company	Number of shares and votes	Percentage of share capital and of total number of votes
Zygmunt Solorz-Żak (*)	976,542,690	65,9975
ING Otwarty Fundusz Emerytalny (**)	80,000,000	5,4066
Other shareholders	423,124,060	28,5959
TOTAL	**1,479,666,750**	**100,00**

(*) Mr. Zygmunt Solorz-Żak, acting as Deputy Chairman of the Company's Supervisory Board, controls the Company through: (i) Karswell Limited, with its registered office in Nicosia, Cyprus, (ii) Ortholuck Limited, with its registered office in Nicosia, Cyprus, and (iii) Litenite Limited, with its registered office in Nicosia, Cyprus, with respect to 976,542,690 shares in the Company held by Litenite.
(**) in accordance with information provided by the Company in Current Report No. 22/2014 of 26 August 2014.

To the Company's best knowledge, from the date of the previous quarterly report of the Company, i.e. since 13 May 2015, until the date hereof, i.e. 10 November 2015, there have been no changes in the ownership structure of significant blocks of shares in the Company.

5. Direct shareholding and rights thereto held by persons managing and supervising the Company

The following table summarises the direct shareholding in the Company by managing and supervising persons as at the date of publishing this quarterly report, i.e. as at 10 November 2015.

Name and surname	Position	Number of shares in the Company held as at 13 May 2015	Number of shares in the Company held as at 10 November 2015
Wojciech Pytel	Chairman of the Supervisory Board	none	none
Zygmunt Solorz-Żak (*)	Deputy Chairman of the Supervisory Board	none	none
Andrzej Abramczuk	Secretary of the Supervisory Board	none	none
Andrzej Chajec (**)	Member of the Supervisory Board	none	none
Krzysztof Majkowski (***)	Member of the Supervisory Board	20,000	none
Mirosław Mikołajczyk	Member of the Supervisory Board	none	none
Wiesław Walendziak	Member of the Supervisory Board	none	none
Krzysztof Adaszewski	President of the Management Board	none	none
Piotr Janik	Vice-President of the Management Board	none	none

(*) Mr. Zygmunt Solorz-Żak holds indirectly, through entities directly or indirectly controlled, 976,542,690 shares in the Company with a nominal value of PLN 97,654,269.00. Information in this regard is set out above in pt. "4. Shareholding structure".
(**) A person closely related to Mr. Andrzej Chajec, as defined in Article 160 par. 2 pt. 1 of the Act on Trading, holds 250 shares in the Company (with a nominal value of PLN 25).
(***) Based on the statement of Krzysztof Majkowski on his shareholding as at 10 November 2015.

The Company also announces that its managing and supervising persons do not have any rights to the Company's shares.

6. Information on the Company or its subsidiary granting sureties for loans or borrowings or guarantees

In the third quarter of 2015, companies from the Midas Group did not grant to any entity any sureties for loans, borrowings or guarantees where the aggregate value of existing sureties or guarantees would exceed 10% of the Company's equity.

7. Dividends

In the three-month period ended 30 September 2015, companies from the Midas Group did not pay or declare any dividends.

In the investment credit agreement concluded on 10 July 2014 with Bank Polska Kasa Opieki S.A. for up to PLN 200,000,000, as increased under the annex of 26 June 2015 up to PLN 350,000,000, the Company agreed that, until the lapse of the credit repayment period, it will not disburse dividends or refund contributions or any other compensation or payments on its share capital, except in the event of a possible consolidation of the Company's shares.

8. Statement of the Management Board of the Company as to the feasibility of any previously published forecasts

The Midas Group did not publish any forecasts of financial results for 2015.

9. Proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration authority

In the third quarter of 2015, no proceedings were pending directly with respect to the Company or any of the subsidiaries of the Midas Group before any court, a court of arbitration or a public administration body, the value of which, whether individually or combined, would represent at least 10% of the Company's equity.

Such proceedings were indirectly conducted with respect to the subsidiaries of the Midas Group and they are described below. In the proceedings below, Aero2, CenterNet and from 31 December 2014 Aero2 as a legal successor of CenterNet and Mobyland (depending on the proceedings) act as an interested party, as these proceedings are largely directed against the administrative decisions issued by the President of the OEC. However, indirectly, handing down a binding resolution in each of these proceedings may result in the President of the OEC ruling to sustain, change or repeal the previous resolutions that directly concern frequency reservations for CenterNet and Mobyland or frequency reservations granted to Aero2.

To ensure the most transparent and concise presentation of the matters related to the above proceedings, this report includes all the most significant information, which reflects the current factual status of pending proceedings, but does not reflect the detailed chronology of events which took place during those proceedings. To become acquainted with the detailed chronology of events concerning specific proceedings, it is important to review the information contained in this report in relation to information disclosed in previous interim reports of the Company, available on the Company's website at: http://midas-sa.pl/Relacje_inwestorskie/Raporty_gieldowe/Raporty_okresowe).

Proceedings related to the tender concerning frequencies in the 1710-1730 MHz and 1805-1825 MHz ranges, subject to reservation for CenterNet (currently Aero2) and Mobyland

In the matter concerning a repeal of the decision of the President of the OEC of 13 June 2011 No. DZC-WAP-5174-9/07(321) and of 23 August 2011 No. DZC-WAP-5174-9/07(352) invalidating – in the scope concerning the evaluation of T-Mobile's bid – the tender concerning two reservations of frequencies in the 1710-1730 MHz and 1805-1825 MHz ranges, issued in the tender concerning reservation of the frequencies granted to CenterNet and Mobyland (Current Report No. 33/2012), on 8 May 2014, the SAC issued a judgement concerning the tender for two frequency reservations, in the 1710-1730 MHz range and the 1805-1825 MHz range (the "Tender"), under which the SAC upheld the PACW's judgement of 6 July 2012. The SAC judgement was issued following the dismissal of the cassation appeals filed by the President of the OEC and the Issuer's subsidiaries: CenterNet and Mobyland. The SAC stated that the dispute in the matter centred on assessing recommendations for further action for the President of the OEC, following from the judgement of the PACW of 21 July 2009, repealing both decisions of the President of the OEC refusing to declare the invalidity of the tender concerning frequency reservations and from the judgement of the SAC of 3 February 2011 approving the judgement of the PACW. The SAC found that the above judgements of the PACW and SAC indicated that the President of the OEC should have invalidated the Tender in its entirety. In its judgement of 21 July 2009, the PACW found that a serious breach of the applicable laws occurred during the tender proceedings, as a result of which a party to the proceedings was deprived of the right to participate in stage two of the Tender, i.e. the criterion for flagrant infringement of the applicable laws referred to in Article 118d of the Telecommunications Law (the "TL") was fulfilled, which would justify invalidating the Tender. On the other hand, the SAC, in its judgement of 3 February 2011, found that the PACW judgement indicated that the President of the OEC should have issued the opposite decision to the existing decision. In its judgement of 8 May 2014, the SAC found, taking into account the scope of the proceedings conducted by the President of the OEC and the motions to invalidate the Tender, that the opposite decision would be to invalidate the Tender in its entirety. The SAC also noted that the President of the OEC, having concerns regarding the recommendations contained in the above judgements of the PACW and the SAC, could have requested an interpretation, pursuant to Article 158 of the Act on Proceedings Before Administrative Courts, which he failed to do. Referring to Article 118d par. 1 of the TL, in the wording applicable to the matter at hand, the SAC also found that the provision was worded unambiguously and could not have led to the conclusion that the Tender could be partially invalidated. In the assessment of the SAC, this provision does not permit such a possibility. But even if it were possible, partial invalidation could not take place with reference to one of the entities taking part in the Tender (as was the case in 2011). Any partial invalidation of the Tender might at best refer to the subject, not the participants. Lastly, the SAC noted that in the court and administrative proceedings, there can be no acceptance for arguments of equitability related to, among other things, the expenses of conducting another Tender, as the deciding factor in this respect is the wording of the applicable provision of the law, its interpretation and application.

As a result of the decisions of the President of the OEC of 13 June 2011 and 23 August 2011, the President of the OEC conducted another tender with respect to assessing the bid placed by T-Mobile Polska and determined the revised result of the Tender in the form of a new list assessing each bid, taking into account the bid placed by T-Mobile. The bids placed by CenterNet were placed on the list under items 1 and 2, and the bid placed by Mobyland – under item 3. On 27 October 2011, CenterNet filed a motion to obtain frequency reservations on the basis of the bid featured as item 2 on the evaluation list, and Mobyland submitted a request on the same date to obtain a reservation on the basis of the sole bid it had placed. In connection with the above motions concerning reservations submitted by CenterNet and Mobyland, proceedings concerning the reservation motions are pending before the President of the OEC. After the President of the OEC announced the revised results of the Tender, Orange Polska and T-Mobile submitted motions to invalidate the Tender. In its decision of 28 November 2012, the President of the OEC refused to invalidate the Tender. The above decision was upheld by the decision of the President of the OEC of 8 November 2013. Subsidiaries of the Issuer did not file a complaint against the decision of the President of the OEC of 8 November 2013. Orange Polska and T-Mobile filed complaints against the above decision with the PACW, which overturned the decision of the President of the OEC in a judgement of 23 September 2014. Subsidiaries of the Issuer submitted cassation appeals against that judgement. The date of examining the cassation appeals is unknown.

The Management Board of the Issuer believes that the SAC judgement of 8 May 2014 and the PACW judgement of 23 September 2014 will have no influence on CenterNet (currently Aero2) and Mobyland's ability to continue their existing operations. This means that these companies can still make full use of the frequencies granted to them, and can therefore still carry out the objectives adopted in the operations of the Midas Capital Group. Furthermore, the Management Board maintains its position expressed in Current Report No. 8/2014 that it is presently impossible to predict the direction or scope of further action in the matter that may be undertaken by the President of the OEC and other participants of the proceedings. The Management Board of the Issuer also notes that on 29 May 2014, the SAC upheld the judgement of the PACW of 19 November 2012, as noted hereinabove. That judgement concerned dismissal on substantive grounds of T-Mobile's complaint against the decision of the President of the OEC concerning frequency reservations in the 1710-1730 MHz and 1805-1825 MHz ranges issued for CenterNet and Mobyland. The SAC judgement of 29 May 2014 is binding, and means that those frequency reservations are final. The decisions may only be repealed upon reopening the proceedings. At this point, the Issuer's Management Board does not see any legal grounds on which this scenario could be fulfilled.

Proceedings to invalidate the tender concerning frequency reservations for Aero2 in the 2570-2620 MHz range.

On 21 May 2009, the President of the OEC announced a tender for a frequency reservation in the 2570-2620 MHz range, for the entire area of Poland, designated for the provision of telecommunications services in broadband wireless mobile networks, until 31 December 2024 ("Tender 2.6"). In response to the tender announcement, Milmex Systemy Komputerowe sp. z o.o. ("Milmex") and Aero2 submitted their bids. Because of a number of formal deficiencies, the bid submitted by Milmex was not admitted to the substantive evaluation stage. In effect, the bid submitted by Aero2 was found to be the best.

After the results were announced, Milmex filed a motion for invalidation of Tender 2.6. In its decision of 28 December 2010, No. DZC-WAP-5176-9/09(112), the President of the OEC refused to invalidate Tender 2.6. The above decision was upheld by a decision of the President of the OEC of 20 November 2012, No. DZC-WAP-5176-9/09(237).

Milmex filed a complaint against that decision to the PACW. In its judgement of 27 June 2013 (case file No. VI SA/Wa 464/13), the PACW dismissed the complaint. Milmex filed a cassation appeal with the SAC against the above judgement, which appeal was dismissed by a binding ruling of the SAC of 9 April 2015 (case file No. II GSK 370/14). In the opinion of the SAC, the judgement of the court of first instance was correct, as it cannot be concluded in the case in question that the tender involved irregularities that resulted in flagrant infringement of Milmex's interests or flagrant breach of the law. Therefore, Milmex's bid rightly failed to advance to stage two of the tender due to its formal defects. The judgement concludes a series of proceedings concerning the tender for frequencies in the 2.6 GHz range. The Company reported on the above judgement in Current Report No. 7/2015.

Other proceedings

In the decisions of the SMP issued by the President of the OEC on 14 December 2012, the SMP obliged Aero2, CenterNet and Mobyland to apply fees for call termination in public mobile telecommunications networks (respectively) of Aero2, CenterNet and Mobyland, in the amount of: (i) in the period from 1 January to 30 June 2013: PLN 0.0826/min (ii) after 30 June 2013: PLN 0.0429/min, i.e. in a lower amount for these periods and earlier aligned to (symmetrical with) the rates of other providers than is indicated in earlier decisions of the President of the OEC. On 31 December 2012, all of the above companies filed appeals to the Regional Court in Warsaw (Division XVII Competition and Consumer Protection) against the above decision of the SMP and motions to suspend their immediate enforceability.

In a judgement of 19 January 2015, XVII AmT 69/13, the Court of the Office of Competition and Consumer Protection dismissed an appeal by CenterNet. Aero2, as the legal successor of CenterNet, filed an appeal against that judgement, which has not yet been heard.

In a judgement of 5 February 2015, XVII AmT 73/13, the COCCP partially ruled in favour of an appeal by Mobyland and overturned the decision of the President within the scope of the schedule established for adjusting rates to the completion of connections. Within the remaining scope, Mobyland's appeal was dismissed. Mobyland and the President of the OEC filed an appeal against this judgement, while Mobyland appealed against the part of the judgement that had dismissed the previous appeal. In the judgement of 14 October 2015 the Court of Appeal in Warsaw withheld the appeal of the President of the OEC and judgementthe judgment of the Court of the first instance to the extent of points 1 and 3, i.e. to the extent where the decision of the President of the OEC on imposing the obligation on Mobyland to apply fees in an appropriate amount was revoked and to the extent where mutual costs of the proceedings were waived and transferred the case for re-examination by the Court of the first instance. The Court of Appeal dismissed the appeal of Mobyland in its entirety.

In a judgement of 6 May 2015, XVII AmT 71/13, the COCCP dismissed an appeal by Aero2. Aero2 appealed against that judgement too. The date of the appeal hearing is unknown.

10. Transactions with related parties

In the third quarter of 2015, Midas Group companies did not enter into any key transactions with related parties on non-market terms.

Information on the conclusion by the Company or its subsidiary of other transactions with related parties is contained in Note 30 to the interim condensed consolidated financial statements for the 3-month and 9-month period ended 30 September 2015.

11. Developments and agreements concluded by the Midas Group

11.1. Significant developments and agreements concluded by the Midas Group in the third quarter of 2015

Meeting of the Company's bondholders

On 20 July 2015 at the request of the Company the meeting of the bondholders of Midas was held and among others adopted resolutions on excluding the Leverage Ratio from one of the covenants under the bonds and on amending the contents of the definition of the Authorised Acquisition. The change to the definition of the Authorised Acquisition permitted to acquire directly or indirectly through the Company less than 100% of shares in a business carrying out the same or complementary activities to the core business of the Company. A justification for the a/m changes was published in the current report No. 24/2015. The content of all the resolutions was made public in the current Report No. 26/2015.

Signing annexes to the collateral agreements for the credit from Bank Pekao

Following the increase in the amount of the loan granted by Bank Polska Kasa Opieki S.A. ("Bank"), as described in the current report 19/2015, on 6 August 2015 the Company, Aero2 and Mobyland signed with the Bank respective annexes to collateral agreements, described in the current report No. 28/2014. Amendments to Registered Pledge Agreements on Aero2 and Mobyland shares include increasing the maximum collateral amount to PLN 525,000,000. Amendments to the Registered Pledge Agreements defined in the current report No. 28/2014 on groups of movables and rights constituting an organised business whole with variable include raising the total collateral value under registered pledges established on the a/m groups of Mobyland and Midas up to PLN 525,000,000, and Aero2 to PLN 622,000,000. In addition, the Company, Aero2 and Mobyland submitted declarations of voluntary submission to enforcement under the procedure of Article 777 par. 1 pt. 5 of the Code of Civil Procedure up to PLN 525,000,000. Raising the amounts of the collaterals was possible thanks to the resolution adopted on 23 July 2015 by the Extraordinary General Meeting granting consent to the Management Board to enter into respective agreements. The foregoing events were disclosed by the Company in the current reports No. 18/2015, 19/2015, 27/2015 and 29/2015.

Changes to entries over assets of a significant value in the pledge register

On 21 August 2015 the Company received a decision of the District Court for the City of Warsaw in Warsaw, Department XI Commercial – Register of Pledges ("Court") of 11 August 2015 on a change in the registered pledge established for the Bank, constituting a collateral for the investment credit, referred to in the current report No. 19/2015 ("Credit") on 204,200 shares of Mobyland with the nominal value of PLN 500 each, representing 100% of the shares in the share capital of Mobyland, disclosed in the Company's books of account at a book value of PLN 178,800,000, including raising the maximum collateral up to PLN 525,000,000.

Furthermore, the Company received the Court's decision to enter in the pledge register, on 12 August 2015, changes in the pledges, established in favour of the Bank on: i) a group of moveable goods and rights constituting part of the Company's undertaking (other than shares) disclosed in the Company's books of account at a book value of PLN 179,000 and ii) on a group of moveable goods and rights constituting part of the undertaking of Mobyland, disclosed in the Company's books of account at a book value of PLN 102,100,000, including raising the maximum collateral up to PLN 525,000,000.

On 28 August 2015 the Company received the decision of the Court of 18 August 2015 on a change in the registered pledge established for the Bank, constituting a collateral for the Credit on sets of movable goods and rights constituting an organised business whole with variable composition, owned by Aero2. The change consists in the increase of the maximum collateral amount from PLN 396,700,000 to PLN 622,000,000. The value of record of the aforementioned set as at 30 June 2015 was PLN 858,300,000.

On 10 September 2015 the Company received the decision of the Court of 3 September 2015 on a change in the registered pledge established for the Bank, constituting a collateral for the Credit, on 221,000 shares of nominal value PLN 50 each, held by the Company in Aero2 and constituting 99.5% of interest in Aero2's share capital. The change consists in the increase of the maximum collateral amount from PLN 300,000,000 to PLN 525,000,000. Furthermore the Management Board informs that there was also a change in the registered pledge established for the Bank, constituting a collateral for the Credit, on 1,000 shares of nominal value PLN 50 each, held by the Company in Aero2 and constituting 0.5% of interest in Aero2's share capital. The change consists in the increase of the maximum collateral amount from PLN 300,000,000 to PLN 525,000,000. The value of record of 100% of the shares in Aero2 as at 30 June 2015 was PLN 787,000,000.

Raising the a/m total collaterals results from the provisions of the annex to the collateral agreements to the credit agreement with the Bank, as described in the Current Report No. 29/2015.

11.2. Significant developments and agreements concluded by the Midas Group after the end of the third quarter of 2015

After the end of the third quarter of 2015 the Midas Group did not record any significant events and did not enter into any important agreements.

11.3. Other developments and agreements concluded by the Midas Group

Amendment to terms and conditions of the credit agreement with Plus Bank S.A.

On 18 September 2015 Aero2 entered with Plus Bank into annexes to the credit agreements of 27 October 2010 and of 25 November 2010.

The annexes signed modified terms and conditions of the a/m credit agreements to the following extent:

1. The borrowing period was extended accordingly from 26 and 30 September 2015 to 31 December 2018.
2. Maturities of the last instalments were postponed to December 2018.

On 18 September 2015 Mobyland signed a debt accession agreement under which the company joint the a/m credit agreements entered into by Aero2 with Plus Bank, as a joint and several co-debtor.

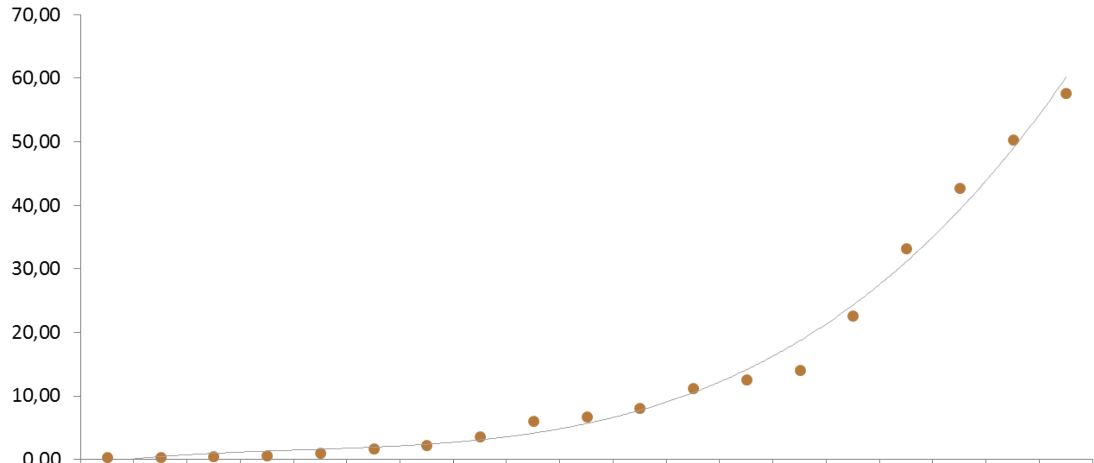
Business combinations

On 7 October 2015 (subsequent event), a plan was agreed and signed for a merger by takeover ("Merger") between the companies Aero2 (as the acquiring company) and Mobyland (as the target company). Detailed information about the Merger may be found at sec. 2. Changes in the structure of the Midas Group and their consequences.

12. Other information which, in the opinion of the Company, is significant to an evaluation of its staffing, asset and financial position, its financial result and changes thereto, as well as information relevant for the assessment of the Company's ability to fulfil its obligations

The Midas Group has a modern telecommunications network including, among others (as at the end of September 2015): (i) approximately 5,120 base stations operating on the basis of the HSPA+ technology (frequency band held by Aero2), and (ii) approximately 7,150 base stations operating in LTE technology. The above number of LTE stations comprises stations operating in all the frequencies available to the Midas Group companies. Compared to 30 June 2015, the number of base stations operating on the basis of the HSPA+ technology increased by approximately 110, while the number of base stations operating on the basis of the LTE technology increased by approximately 870. As at the date of publication of this report more than 99% of Poland’s population had HSPA+ coverage, while 92% of the population had LTE coverage.

The Management Board of the Company would also like to note the quarterly usage (in million GB) of the data transfer packets ordered by Polkomtel, as carried out in the Group’s network, juxtaposed against the trend line. The Management Board of the Company has a favourable opinion of the rate of growth in the area of data transfer usage.



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
zużycie (mln GB)	0,3	0,4	0,4	0,7	1,1	1,7	2,3	3,6	6,1	6,8	8,1	11,2	12,6	14,0	22,7	33,3	42,7	50,3	57,7

As at the date of publication hereof, the Midas Group is pursuing the stage III of the project 4100 (as described in detail in the Company’s prospectus of 8 February 2012) and at the same time is constructing the 800 MHz telecommunications network as part of performing the provisions of the Supply Agreement concluded between Aero2 and Sferia, the conclusion of which was announced by the Issuer in Current Report No. 5/2015. Under the Supply Agreement, Aero2 makes a telecommunications network available to Sferia for the purpose of Sferia providing services based on the 800 MHz band in LTE technology. The Agreement was concluded for a period of at least six months. In the case where cooperation is not extended, Sferia will be obliged to buy back devices and to return Aero2’s outlays incurred in constructing the telecommunications network in the 800 MHz band. As at the date of publication of this report the Midas Group has approximately 3,100 stations operating in the LTE800 technology.

On 19 October 2015 the President of the OEC resolved the auction for 800 MHz frequency reservations by selecting potential future holders of that band. According to its previous declarations, the Midas Group is still willing to cooperate with all the entities interested in joint efforts for the construction of the LTE 800 network and is ready to start related talks with every future holder of the 800 MHz frequency. The Management Board, after getting acquainted with possible bids and terms and conditions, will make a decision as to the scale and manner of involvement in the project.

In the event of the Group’s permanent involvement in “Project 800”, the assumptions for Phase III, referred to hereinabove, will be adapted to the method of implementing the Midas Capital Group’s strategy. Current assumptions for Phase III do not take into account the effect of the Company’s involvement in “Project 800”.

The Management Board of the Company also announces that under the analyses being performed concerning the forms of the Company’s involvement in “Project 800”, the effective possibility of managing a band in the 2570-2620 MHz range is also being considered.

In the opinion of the Management Board of the Company, referring to the third quarter of 2015, there is no other information besides that disclosed in this semi-annual report which is essential for staffing, assets, financial position, financial result and their changes, nor is there any information which is relevant for the assessment of the Company's ability to settle its liabilities and commitments.

13. Factors that in the Company’s opinion may influence the results it achieves within at least the next quarter

According to the Management Board of the Company, the following factors could affect the results of the Midas Group over the course of at least the next quarter:

1. Continued implementation of “Project 800” and long-term involvement therein.

   The implementation of “Project 800” will involve increasing the number of locations and base stations comprising the telecommunications network used by the Midas Group and further increases of that number in the future, which 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. The final cost of “Project 800” will depend on the quantity of bandwidth available and on the possible investments resulting from that availability as well as on the possibility to cooperate with other entities interested in joint construction of the network.

2. Decisions of the President of the OEC in the matter concerning the tender for two frequency reservations in the 1710-1730 MHz range and the 1805-1825 MHz range, following from the judgement of the SAC of 8 May 2014 (described in detail in pt. 9 above).

   The Company notes that in line with the description of these proceedings set forth in pt. 9 hereof, it is currently unable to predict the direction or scope of further actions in this case that may be undertaken in the future by the President of the OEC. The Management Board of the Company also wishes to note the resolutions, which are final and favourable for the Midas Group, concerning frequency reservations in the 1710-1730 MHz and 1805-1825 MHz ranges for Aero2 and Mobyland (also set forth in section 9 hereof). The Company expects that, in the event that rulings unfavourable for the Group are included in any future decisions issued by the President of the OEC, this may indirectly have an adverse effect on the financial result and operating activities of the Group.

3. The rate of growth of data transfer services in LTE technology provided by entities competing against the Midas Group, on the basis of frequency reservations in the 1800 MHz range granted in the first half of 2013 as well as assigned 800 MHz frequencies.

   The Company estimates that this factor may have a detrimental effect on the rate of growth of revenues from sales.

4. Increasing popularity of the LTE technology and the corresponding increased usage of data transfer services ordered by wholesale customers of the Group and possible subsequent orders for such services.

   The Company estimates that such growth will have a positive effect on the value of revenues from sales. However, at the time the next order or orders are being placed, if there is pressure from the Midas Group’s customers for the reference rate for 1 MB of data to be reduced, the growth of revenues from sales will not be proportional to the increase in data usage for wholesale customers of the Midas Group. The Midas Group cannot rule out a scenario where the Midas Group’s customers, in placing further order(s), may make their decisions conditional upon whether or not the settlement methodology has changed or the reference rate for 1 MB of data has been reduced (this has happened in the past and we cannot rule out that it may happen in the future, especially if data usage continues to increase at a dynamic pace).

5. The level of prices reached in the tender for frequencies in the 800 MHz band conducted by the OEC

In the opinion of the Management Board of the Company, due to the proposed acquisition by the Company of the right to the 800 MHz frequency, which does not include participating in the tender for the reservation of frequencies in the 800 MHz range, the level of prices in the tender conducted by the President of the OEC, in the case of favourable assignment of reservation decisions, will have a direct effect on the cost of obtaining access to the above frequencies, which could have a negative effect on the financial result of the Midas Group and make it necessary to amend the terms of the financing agreements.

As at the date hereof, the Management Board of the Company is not able to precisely estimate the potential future expenses related to obtaining access to subsequent frequency blocks.

The Company wishes here to emphasise that the occurrence of the factors described in points 2) to 5) above is largely not dependent on the Company, and therefore the Company has no certainty as to whether they will occur in the next quarter.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Krzysztof Adaszewski	Piotr Janik
/President of the Management Board/	/Vice-President of the Management Board/

Warsaw, 10 November 2015