The Capital Group
of Midas Spółka Akcyjna

Consolidated quarterly report
for the 3-month period ended 31 March 2015

QSr 1/2015

Place and date of publication: Warsaw, 13 May 2015

CONTENT OF THE REPORT:

SELECTED FINANCIAL DATA OF THE MIDAS CAPITAL GROUP

	3-month period ended 31 March 2015	3-month period ended 31 March 2014	3-month period ended 31 March 2015 in EUR '000	3-month period ended 31 March 2014 in EUR '000
Revenue from sales	122,968	66,894	29,639	15,967
Loss on operating activities	(26,716)	(78,367)	(6,439)	(18,706)
Loss before taxation	(35,418)	(85,729)	(8,537)	(20,463)
Net loss on continuing operations attributable to shareholders of the Issuer	(33,897)	(82,558)	(8,170)	(19,706)
Net cash flow from operating activities	45,842	(12,565)	11,049	(2,999)
Net cash flow from investing activities	(57,236)	(41,101)	(13,796)	(9,810)
Net cash flow from financing activities	30,040	18,146	7,241	4,331
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 activities per ordinary share (in PLN)	(0.02)	(0.06)	(0.01)	(0.01)

	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015 in EUR '000	As at 31 December 2014 in EUR '000
Total assets	1,344,135	1,394,620	328,720	327,199
Total liabilities	935,763	952,351	228,849	223,436
Non-current liabilities	606,653	591,784	148,362	138,841
Current liabilities	329,110	360,567	80,487	84,594
Equity attributable to shareholders of the Issuer	408,372	442,269	99,871	103,763
Share capital	147,967	147,967	36,187	34,715

SELECTED FINANCIAL DATA OF MIDAS S.A.

	3-month period ended 31 March 2015	3-month period ended 31 March 2014	3-month period ended 31 March 2015 in EUR '000	3-month period ended 31 March 2014 in EUR '000
Revenues from core operating activities	16,132	11,062	3,888	2,640
Profit on operating activities	4,599	1,296	1,108	309
Profit before tax	4,604	1,535	1,110	366
Net profit on continuing operations attributable to shareholders of the Company	4,604	1,535	1,110	366
Net cash flow from operating activities	(750)	(41,067)	(181)	(9,803)
Net cash flow from investing activities	-	56	-	13
Net cash flow from financing activities	(2,120)	(1,319)	(511)	(315)
Average weighted number of shares	1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Basic profit on continuing operations per ordinary share (in PLN)	0.0031	0.0010	0.00075	0.00025

	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015 in EUR '000	As at 31 December 2014 in EUR '000
Total assets	1,710,356	1,696,955	418,282	398,131
Total liabilities	481,649	472,852	117,791	110,938
Non-current liabilities	461,063	467,560	112,757	109,697
Current liabilities	20,586	5,292	5,034	1,242
Equity attributable to shareholders of the Issuer	1,228,707	1,224,103	300,491	287,193
Share capital	147,967	147,967	36,187	34,715

Selected items from the interim condensed consolidated and interim condensed separate statements of financial position presented in EUR were converted using the average EUR exchange rate announced by the National Bank of Poland on 31 March 2015: 4.0890 PLN/EUR, and on 31 December 2014: 4.2623 PLN/EUR.

Selected items from the interim condensed consolidated and interim condensed separate statement of comprehensive income and from the interim condensed consolidated and the interim condensed separate 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 3-month period ended 31 March 2015 and the 3-month period ended 31 March 2014 (4.1489 PLN/EUR and 4.1894 PLN/EUR respectively).

The Capital Group
of MIDAS Spółka Akcyjna

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2015

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 3-month period ended 31 March 2015

	Note	3-month period ended 31 March 2015 *(unaudited)*	3-month period ended 31 March 2014 *(unaudited)*
Continuing operations			
Revenues from sales of goods and services	6	122,968	66,894
Depreciation and amortisation		(26,758)	(28,989)
Wages and salaries		(1,663)	(2,064)
Expenses related to the telecommunications network	7	(110,063)	(102,113)
Taxes and charges		(7,177)	(6,609)
Other costs by type		(4,541)	(6,647)
Other operating income	8	890	1,438
Other operating expenses		(372)	(277)
Loss on operating activities		**(26,716)**	**(78,367)**
Finance income	9	1,646	558
Finance costs	10	(10,348)	(7,920)
Loss on financial activities		**(8,702)**	**(7,362)**
Loss before taxation		**(35,418)**	**(85,729)**
Current income tax		-	-
Deferred tax		1,521	3,171
Total income tax		**1,521**	**3,171**
Net loss on continuing operations		**(33,897)**	**(82,558)**
Net profit/ (loss) from discontinued operations		**-**	**-**
Net loss		**(33,897)**	**(82,558)**
Other comprehensive income		**-**	**-**
COMPREHENSIVE LOSS		**(33,897)**	**(82,558)**
Attributable to:			
ownership interests of shareholders of the parent		(33,897)	(82,558)
non-controlling interests		-	-
Average weighted number of ordinary shares		1,479,666,750	1,479,666,750
Net loss on continuing activities per 1 share attributable to shareholders of the parent (in PLN)		(0.02)	(0.06)

Krzysztof Adaszewski /President of the Management Board/
Piotr Janik /Vice-President of the Management Board/
Teresa Rogala /on behalf of SFERIA Spółka Akcyjna/

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

ASSETS	**Note**	**31 March 2015** *(unaudited)*	**31 December 2014**
Non-current assets			
Property, plant and equipment	11	492,366	467,734
Intangible assets	12	561,706	577,082
goodwill of subsidiaries		41,231	41,231
value of frequency reservations		518,256	533,712
other intangible assets		2,219	2,139
Other financial assets	15.1	75,905	74,650
Other non-financial assets	15.2	356	13,591
Total non-current assets		**1,130,333**	**1,133,057**
Current assets			
Inventories		895	736
Trade and other receivables	14	123,356	189,297
Other assets		16,773	17,148
Cash and cash equivalents		72,096	53,450
Current prepayments		682	932
Total current assets		**213,802**	**261,563**
Total assets		**344,135**	**1,394,620**

EQUITY AND LIABILITIES	**Note**	**31 March 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		(880,360)	(846,463)
Accumulated losses		(846,463)	(525,606)
Loss for the current period		(33,897)	(320,857)
Total equity		**408,372**	**442,269**
Non-current liabilities			
Loans and borrowings	17	181,057	160,794
Liabilities from issue of bonds	19	336,838	328,054
Deferred income	18	20,668	33,325
Provisions	16	14,519	14,519
Deferred tax liability		53,571	55,092
Total non-current liabilities		**606,653**	**591,784**
Current liabilities			
Trade and other liabilities	23	103,550	161,689
Deferred income	18	164,842	150,973
Loans and borrowings	17	60,718	47,905
Total current liabilities		**329,110**	**360,567**
Total equity and liabilities		**1,344,135**	**1,394,620**

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)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW for the 3-month period ended 31 March 2015

	Note	3-month period ended 31 March 2015 *(unaudited)*	3-month period ended 31 March 2014 *(unaudited)*
Gross loss		**(35,418)**	**(85,729)**
Adjustments of items:			
Depreciation and amortisation of fixed and intangible assets		26,758	28,989
Interest expenses and income and commissions		9,574	7,717
Profit from investing activities		(364)	(7)
Change in the balance of assets and liabilities related to operating activities:			
- Trade and other receivables		65,941	(97,272)
- Inventories		(159)	(1,202)
- Trade and other liabilities	24.1	(23,516)	86,336
- Deferred income		1,212	49,453
- Provisions		-	(6)
- Prepayments, accruals and other non-financial assets		2,248	(878)
Revaluation of embedded derivative		(1,184)	-
Other adjustments		22	34
Net cash flow from operating activities		**45,842**	**(12,565)**
Proceeds from sales of property, plant and equipment and intangible assets		-	43
Purchase of property, plant and equipment and intangible assets		(57,236)	(41,144)
Net cash flow from investing activities		**(57,236)**	**(41,101)**
Proceeds from loans borrowed		35,910	20,000
Repayment of loans		(2,500)	-
Commission and interest paid on bank loans		(3,318)	(1,854)
Other		(52)	-
Net cash flow from financing activities		**30,040**	**18,146**
Net increase/(decrease) in cash and cash equivalents		18,646	(35,520)
Cash at beginning of period		**53,450**	**100,247**
Cash at end of period	13	**72,096**	**64,727**

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)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 3-month period ended 31 March 2015

	Note	Share capital	Supplementary capital	Uncovered losses	Total equity
As at 1 January 2015		**147,967**	**1,140,765**	**(846,463)**	**442,269**
Net loss for the period		-	-	*(33,897)*	*(33,897)*
Total loss for the period		-	-	(33,897)	(33,897)
As at 31 March 2015 *(unaudited)*		**147,967**	**1,140,765**	**(880,360)**	**408,372**

	Note	Share capital	Supplementary capital	Uncovered losses	Total equity
As at 1 January 2014		**147,967**	**1,140,765**	**(525,606)**	**763,126**
Net loss for the period		-	-	*(82,558)*	*(82,558)*
Total loss for the period		-	-	(82,558)	(82,558)
As at 31 March 2014 *(unaudited)*		**147,967**	**1,140,765**	**(608,164)**	**680,568**

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 the Midas S.A. Capital Group (the "Group", the "Midas Group") have been drawn for the 3-month period ended 31 March 2015 and contain comparative data as required by the International Financial Reporting Standards ("IFRS").

The interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated statement of comprehensive income include data for the 3-month period ended on 31 March 2015 and comparative data for the 3-month period ended on 31 March 2014. The data for the 3-month period ended 31 March 2015 and comparative data for the 3-month period ended 31 March 2014 were not subject to a review or an audit by an independent auditor.

On 13 May 2015, these interim condensed consolidated financial statements of the Group for the 3-month period ended on 31 March 2015 were approved for publication by the Management Board.

1. General information

The Midas S.A. Capital Group consists of Midas S.A. (the "parent", the "Company", "Midas") and its subsidiaries. The parent is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, Division 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 S.A. 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 S.A. which belong to the Group and are subject to full consolidation are:

Entity	Registered office	Scope of activity	The Company's percentage share in equity	
			31 March 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 %

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

As at 31 March 2015 and as at 31 December 2014, the share in the total number of votes held by the Group in the subsidiaries is equal to the share of the Group in the capital of those entities.

During the 3-month period ended 31 March 2015, there were no changes in the composition of the Group compared to 31 December 2014.

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

2. Basis of preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were prepared in accordance with the International Financial Reporting Standards, as approved by the EU (the "IFRS"), in particular in accordance with International Accounting Standard No. 34.

As at the date of approval of these statements for publication, taking into account the EU process of implementing the IFRS standards and the business conducted by the Group, in the context of the accounting principles applied by the Group, the IFRS accounting principles differ from the EU IFRS.

The EU IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee (the "IFRIC").

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 financial statements, no circumstances were identified that would pose a threat to the continued activity 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.

3. 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.

- IFRS 9 *Financial Instruments* (published on 24 July 2014) - effective for annual periods beginning on or after 1 January 2018 - not adopted by the EU until the date of adoption of these financial statements,
- Amendments of IAS 19 *Defined benefit plans: employee contributions* (published on 21 November 2013) – which apply for annual periods beginning on or after 1 July 2014 – in the EU, applicable at the latest to annual periods beginning on or after 1 February 2015
- *Amendments resulting from an IFRS review 2010-2012* (published on 12 December 2013) - some of the amendments are effective for annual periods beginning on or after 1 July 2014, and some prospectively for transactions taking place on or after 1 July 2014 - in the EU, effective at the latest for annual periods beginning on or after 1 February 2015,
- IFRS 14 *Regulatory deferral accounts* (published on 30 January 2014) - effective for annual periods beginning on or after 1 January 2016 - no decision was made regarding the time frame in which EFRAG will conduct each phase of the works leading to the adoption of the standard, not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IFRS 11 *Accounting for acquisitions of interests in joint operations* (published on 6 May 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation* (published on 12 May 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- IFRS 15 *Revenues from contracts with customers* (published on 28 May 2014) - effective for annual periods beginning on or after 1 January 2017 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 16 and IAS 41 *Agriculture: bearer plants* (published on 30 June 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 27 *Equity method in separate financial statements* (published on 12 August 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture* (published on 11 September 2014) - effective for annual periods beginning on or after 1 January 2016, where that date was initially deferred by the IASB - no decision was taken on the date by which EFRAG will implement particular stages of work leading to the adoption of those changes - not adopted by the EU by the date of adoption of these financial statements,

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

- *Amendments resulting from an IFRS review 2012-2014* (published on 25 September 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment entities: application of an exception concerning consolidation* (published on 18 December 2014) - effective for financial years beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 1 *Disclosures* (published on 18 December 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements.

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

4. 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.

5. Seasonality of activities

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

6. Revenues from sales of goods and services

	3-month period ended 31 March 2015 *(unaudited)*	**3-month period ended 31 March 2014** *(unaudited)*
Sales of telecommunications services	07,927	65,402
Other sales	54	1,492
Other revenues	14,987	-
Total	**122,968**	**66,894**

During the 3-month period ended 31 March 2015, revenues increased by PLN 56,074,000 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. Compared to the fourth quarter of 2014, revenues decreased by PLN 54,243,000. The factors that influenced this decrease were: lower average price per unit as a result of agreements with Polkomtel (negative effect, detailed information regarding the agreements concluded is provided in item 11.1 of Other information for this quarterly report) and higher volume of usage of the data transfer packages ordered by Polkomtel (positive effect, detailed information regarding the volume increase is provided in point 12 of Other information for this quarterly report).

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 network.

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

7. Expenses related to the telecommunications network

During the 3-month period ended 31 March 2015, costs related to the telecommunications network increased by PLN 7,950,000 in comparison to the corresponding period of the previous year. The expenses of maintaining and operating the telecommunications network change in accordance with an increase in the number of base stations.

8. Other operating income

During the 3-month period ended 31 March 2015, other operating income decreased by PLN 548,000 in comparison to the corresponding period of the previous year. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating income comprises the following:

	3-month period ended 31 March 2015 *(unaudited)*	**3-month period ended 31 March 2014** *(unaudited)*
Received compensation and similar benefits	8	15
Subsidies	668	686
Postal charges	175	621
Other	39	116
Total	**890**	**1,438**

9. Finance income

During the 3-month period ended 31 March 2015, there was an increase in the value of finance income by PLN 1,088,000 in comparison to the corresponding period of the previous year. The change results primarily from a revaluation (increase in value) of the embedded derivative (early bond redemption option).

10. Finance costs

During the 3-month period ended 31 March 2015, financial costs increased by PLN 2,428,000 in comparison to the corresponding period of the previous year. The above change results from an increase in costs related to issuing the bonds and servicing the debt under the investment loan obtained from Alior Bank and Bank PEKAO S.A. The increase in interest expense on the bonds results from a change of security, i.e. deletion of the pledge on the shares of the subsidiaries from the register of pledges in order to release them for the purpose of establishing security for the repayment of the bank loan granted to the Group by Bank Pekao S.A. pursuant to the loan agreement of 10 July 2014. Under the terms of issue of the bonds, the discount rate increased by 1.7 percentage points. For the purposes of the interim condensed consolidated statement of comprehensive income, financial costs comprise the following:

	3-month period ended 31 March 2015 *(unaudited)*	**3-month period ended 31 March 2014** *(unaudited)*
Interest on issued bonds	7,302	6,511
Interest on bank loans received	1,475	1,161
Commission on bank loans received	932	207
Cost of guaranteeing debt	555	-
Late-payment interest	6	8
Other finance costs	78	33
Total	**10,348**	**7,920**

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

11. Property, plant and equipment

11.1. Purchases and disposals

During the 3-month period ended on 31 March 2015, the Group acquired property, plant and equipment with a value of PLN 32,791,000 (mainly telecommunications infrastructure from Nokia Solutions and Networks, Ericsson and Sferia).

During the 3-month period ended on 31 March 2014, the Group acquired property, plant and equipment with a value of PLN 7,505,000.

During the 3-month period ended 31 March 2015 and the 3-month period ended 31 March 2014, the Group did not dispose any items of property, plant and equipment with a significant value.

11.2. Impairment write-downs

During the 3-month period ended 31 March 2015 and the corresponding period of the previous year, the Group did not make any impairment write-downs.

12. Intangible assets

12.1. Purchases and disposals

During the 3-month period ended on 31 March 2015, the Group acquired intangible assets with a value of PLN 475,000. During the 3-month period ended 31 March 2014, the Group did not acquire any intangible assets with a significant value.

12.2. Impairment write-downs

During the 3-month period ended 31 March 2015 and the corresponding period of the previous year, the Group did not recognise any significant impairment of intangible assets.

13. Cash and cash equivalents

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

	31 March 2015 *(unaudited)*	**31 March 2014** *(unaudited)*
Cash at bank and on hand	53 13	21,526
Short-term bank deposits	18,965	43,198
Other	-	3
Cash and cash equivalents	**72,096**	**64,727**

14. Non-current receivables, trade and other receivables

During the 3-month period ended 31 March 2015, current receivables of the Group decreased by PLN 65,941,000 in comparison to the balance as at 31 December 2014. That change results mainly from a decrease in the Group's receivables from Polkomtel (performance of agreements concluded) and a decrease in the Group's receivables from VAT.

15. Other assets

15.1. Non-current financial assets

During the 3-month period ended 31 March 2015, other non-current financial assets of the Group increased by PLN 1,255,000 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). 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.

15.2. Other non-financial assets (non-current)

During the 3-month period ended 31 March 2015, other non-current non-financial assets of the Group decreased by PLN 13,235,000 in comparison to the balance as at 31 December 2014. That change results mainly from settlement of advances designated for purchases of non-current assets.

16. Provisions

During the 3-month period ended 31 March 2015, the Group did not recognise any significant movements in the balance of provisions in comparison to those described in the annual consolidated financial statements for 2014.

17. Interest-bearing bank loans

During the 3-month period ended 31 March 2015, the Group drew down other tranches of the investment loan (agreement with Bank PEKAO S.A. of 10 July 2014) in the amount of PLN 35.9 million. 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.

During the 3-month period ended on 31 March 2015, the Group repaid the principal amount of the loan granted to by Plus Bank in the amount of PLN 2.5 million.

18. Deferred income

As at 31 March 2015, the Group recognised deferred income of PLN 185,510,000 (PLN 184,298,000 as at 31 December 2014). This amount consists of non-current deferred income of PLN 20,668,000 and the current portion of deferred income of PLN 164,842,000 (as at 31 December 2014: PLN 33,325,000 and PLN 150,973,000, respectively).

In the 3-month period ended 31 March 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 31 March 2015, the value of paid instalments remaining to be settled, resulting from the orders placed under the agreement with Polkomtel amounted to PLN 161,419,000.

The remaining amount of deferred income comprises EU grants of PLN 23,340,000 and settlements of sales of telecommunications services (prepaid) of PLN 751,000.

19. Other financial liabilities

During the 3-month period ended 31 March 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 and an increase in the value of the discount related to a change of security for the bonds. The amount of interest increases the existing debt under the series A bonds.

The data presented below provides information on the level of selected financial ratios as at 31 March 2015 (calculated in accordance with the conditions of the bond issue):

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

consolidated financial debt: PLN 578,613,000, consolidated equity: PLN 408,372,000, leverage ratio: 0.586 (determined as "consolidated financial debt / (consolidated financial debt + consolidated equity").

consolidated financial debt (less the value of the embedded derivative): PLN 530,734,000, leverage ratio (not including the embedded derivative): 0.565 (determined as "(consolidated financial debt - value of early redemption option) / (consolidated financial debt - value of early redemption option + consolidated equity)".

20. Goals and principles of financial risk management

During the 3-month period ended 31 March 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.

21. Capital management

During the 3-month period ended on 31 March 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.

22. Contingent liabilities and contingent assets

In the 3-month period ended 31 March 2015, there were no 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:

	31 March 2015	31 December 2014
Liabilities from bank guarantees granted mainly as security for the performance of trade agreements	289	289
Total contingent liabilities	**289**	**289**

As at 31 March 2015, the conditional debt of the Group was PLN 289,000, which includes:

- a bank guarantee of PLN 288 thousand of which the beneficiary is IVG Institutional Funds GmbH, granted by mBank S.A. (formerly BRE Bank S.A., hereinafter "mBank") at the instruction of Aero2 in connection with securing a rental agreement of 11 February 2010 for office premises and parking spaces in the Norway House building located at ul. Lwowska 19 in Warsaw.
- a bank guarantee of PLN 0.6 thousand of which the beneficiary is Orange Polska S.A. (formerly PTK Centertel Sp. z o.o.), granted by mBank at the instruction of Aero2 in connection with securing the Framework Agreement for the provision of Telehousing PRO No. POS/K-9827 concluded on 25 June 2012.

In the assessment of the Management Board concerning proceedings relating to frequency reservations pending in relation to subsidiaries of Midas, there has been no change in comparison with the assessment presented in Note 30.1 of the consolidated financial statements for the year ended 31 December 2014. The carrying amount of the above concessions granted to CenterNet (currently Aero2) and Mobyland, disclosed in the consolidated statement of financial position, as at 31 March 2015 was PLN 180,039,000.

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

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

23. Trade and other liabilities

During the 3-month period ended 31 March 2015, liabilities of the Group decreased by PLN 58,139,000 in comparison to the balance as at 31 December 2014. The change results primarily from the repayment of the Group's liabilities towards Nokia Siemens Networks and Ericsson from telecommunications infrastructure purchases and repayment of trade liabilities to Polkomtel.

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

24.1. Change in the balance of liabilities

	01.01.2015 - 31.03.2015	**01.01.2014 - 31.03.2014**
Change in the balance of current liabilities	(58,139)	52,428
Change in the balance of liabilities arising from the acquisition of property, plant and equipment and investments	(34,623)	(33,908)
	(23,516)	**86,336**

25. Investing liabilities

As at 31 March 2015, the Group had investment orders for the total amount of PLN 59,354,000. The orders placed concern the purchase of telecommunications components.

26. Transactions with related parties

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

		Revenue 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 31 March 2015** *(unaudited)*	123,610	122,567	116	927
	3-month period ended 31 March 2014 *(unaudited)*	66,859	66,388	137	334

		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 31 March 2015** *(unaudited)*	100,353	462	99,891
	3-month period ended 31 March 2014	92,648	536	92,112

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

	(unaudited)			

		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.	**31 March 2015** *(unaudited)*	100,979	85,440	15,259	280
	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 (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**31 March 2015** *(unaudited)*	259,731	57,211	41,101	161 419*
	31 December 2014	279,517	76,377	43,601	159 539*

**Amounts recognised as deferred income*

27. Remuneration of the senior management staff of the Group

27.1. Remuneration paid or due to members of the Management Board and members of the Supervisory Board of the Group

The table below shows the value of remuneration (together with bonuses) 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 31 March 2015 *(unaudited)*	**3-month period ended 31 March 2014** *(unaudited)*
Management Board		
Current employee benefits or similar (wages and salaries and bonuses)	161	125
Supervisory Board		
Current employee benefits or similar (wages and salaries and bonuses)	30	15
Total	**191**	**140**

27.2. Remuneration paid or due to members of the Management Board and members of the Supervisory Board of the Group

The table below shows the value of remuneration (together with bonuses) 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 31 March 2015 *(unaudited)*	**3-month period ended 31 March 2014** *(unaudited)*
Management Board of the parent		
Current employee benefits (wages and salaries and bonuses)	110	92
Supervisory Board of the parent		
Current employee benefits (wages and salaries and bonuses)	3	3
Total	**113**	**95**

28. Events occurring after the balance sheet date

Supreme Administrative Court (SAC) ruling on the tender for the reservation of the 2.6 GHz frequency

On 9 April 2015, the SAC dismissed Milmex's cassation appeal. This development was described in detail in item 9 of Other information for the quarterly report and in Current Report No. 7/2015.

Submission by Aero2 Sp. z o.o. of further orders for the services provided by Polkomtel, whose total value exceeds 10 per cent of the equity of Midas S.A.

On 22 April 2015, Polkomtel accepted two more orders from Aero2 for services to be provided by Polkomtel to Aero2, including SITE and SITE transmission services (the "Orders").

As a result of accepting the Orders, the total value of orders submitted and concluded since 3 March 2015 until and including the date of publication hereof, i.e. 22 April 2015, by entities from the Midas Capital Group in relation to Polkomtel reached PLN 273 million, and therefore exceeded 10 per cent of the Company's equity. The orders were submitted as part of implementing a cooperation agreement concerning mutual provision of telecommunications infrastructure services, concluded by Aero2 on 30 March 2012 with Polkomtel, which the Company reported in Current Report No. 22/2012 (the "Agreement").

The highest-value order was placed on 22 April 2015 and concerned SITE-type services. Its value, calculated on the basis of a 5-year period of providing the services covered by that order, was PLN 159 million (the "Order"). The SITE-type services covered by the above order will be provided under the conditions described in the Agreement in each place for a period of five years counting from the date on which Polkomtel announces its readiness to provide the services in a given place, in accordance with the provisions of the Agreement. The Order does not regulate the issue of compensation and contractual penalties – the general terms and conditions of the Agreement will apply in this respect. The other terms and conditions of the Order do not differ from those commonly applied to transactions of this kind. The Company assumes the criterion of 10 per cent of its equity as the criterion for considering the total value of orders and agreements to be significant. The Company reported on this development in Current Report No. 8/2015.

The Framework Agreement with Ericsson Sp. z o.o. reaching the value of a significant agreement.

On 23 April 2015, the Management Board of the Company became aware that following subsequent orders placed by Aero2 at Ericsson the accumulated value of orders under the Framework Agreement placed from 23 July 2012 until 23 April 2015 under the Framework Agreement for the delivery, integration and maintenance of the mobile access telecommunications network exceeded 10% of the Company's capitals. Thus, the Framework Agreement reached the status of a significant agreement. Detailed information about the terms and conditions of the Framework Agreement was provided in Current Report No. 35/2012. The Company reported on this development in Current Report No. 9/2015.

Drawdown of a tranche of the loan

On 24 April 2015, Midas drew down another tranche of the investment loan (agreement with Alior Bank of 28 February 2013) in the amount of PLN 5 million. The funds from the loan were sent directly to the bank account of the Company's subsidiary, i.e. Aero2, in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. The loan bears variable interest, calculated on the basis of the cost of capital for Midas increased by a margin.

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 ENTRUSTED TO MAINTAIN THE BOOKS OF ACCOUNT:

Teresa Rogala
/on behalf of SFERIA
Spółka Akcyjna/

Warsaw, 13 May 2015

MIDAS Spółka Akcyjna

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2015

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the 3-month period ended 31 March 2015

	Note	3-month period ended 31 March 2015 *(unaudited)*	3-month period ended 31 March 2014 *(unaudited)*
Continuing operations			
Revenues from core operating activities	6.1	16,132	11,062
Own costs from core operating activities	6.2	(10,903)	(8,657)
Depreciation and amortisation		(5)	(8)
Wages and salaries		(246)	(306)
Other costs by type		(382)	(800)
Other operating income		3	5
Profit on operating activities		**4,599**	**1,296**
Finance income	6.3	5	239
Profit on financial activities		**5**	**239**
Profit before tax		**4,604**	**1,535**
Current income tax		-	-
Deferred tax		-	-
Total income tax		**-**	**-**
Net profit on continuing operations		**4,604**	**1,535**
Net profit/ (loss) from discontinued operations		**-**	**-**
Net profit		**4,604**	**1,535**
Other comprehensive income		**-**	**-**
COMPREHENSIVE INCOME		**4,604**	**1,535**
Average weighted number of ordinary shares		1,479,666,750	1,479,666,750
Net profit on continuing operations per share attributable to shareholders of the parent company (in PLN)		0.0031	0.0010

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)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

ASSETS	**Note**	**31 March 2015** *(unaudited)*	**31 December 2014**
Non-current assets			
Property, plant and equipment	7	50	55
Non-current financial assets	8, 13	1,434,960	1,436,976
Total non-current assets		**1,435,010**	**1,437,031**
Current assets			
Inventories		5	-
Trade and other receivables	12	4,734	4,628
Loans granted	13	269,167	251,302
Other assets	8	758	637
Cash and cash equivalents		480	3,350
Other prepayments		202	7
Total current assets		**275,346**	**259,924**
Total assets		**1,710,356**	**1,696,955**

EQUITY AND LIABILITIES	**Note**	**31 March 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
Retained earnings/ Accumulated losses		(60,120)	(64,724)
Accumulated losses		(64,724)	(77,105)
Net profit for the current period		4,604	12,381
Total equity		**1,228,707**	**1,224,103**
Non-current liabilities			
Loans and borrowings	11	122,218	137,499
Liabilities from issue of bonds	11	336,838	328,054
Deferred tax liability		2,007	2,007
Total non-current liabilities		**461,063**	**467,560**
Current liabilities			
Trade and other liabilities		802	827
Loans and borrowings	11	19,617	4,298
Accruals		167	167
Total current liabilities		**20,586**	**5,292**
Total equity and liabilities		**1,710,356**	**1,696,955**

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)

INTERIM CONDENSED STATEMENT OF CASH FLOW

for the 3-month period ended 31 March 2015

	Note	3-month period ended 31 March 2015 *(unaudited)*	3-month period ended 31 March 2014 *(unaudited)*
Gross profit		**4,604**	**1,535**
Depreciation and amortisation of fixed and intangible assets		5	8
Interest and commission expenses		10,882	8,625
Profit/ (loss) on investing activities		-	(4)
Exchange rate differences		-	(1)
Change in the balance of assets and liabilities related to operating activities:			
– Trade and other receivables		(106)	-
- Inventories		(5)	-
– Trade and other liabilities		(147)	(102)
– Accruals		(156)	(99)
Interest income		(14,664)	(11,061)
Revaluation of embedded derivative		(1,184)	-
Other adjustments		21	32
Adjustments of total gross profit		**(750)**	**(1,067)**
Other cash flows from operating activities			
Loans granted		-	(40,000)
Other cash flows from operating activities		**-**	**(40,000)**
Net cash flow from operating activities		**(750)**	**(41,067)**
Proceeds from sales of property, plant and equipment and intangible assets		-	56
Net cash flow from investing activities		**-**	**56**
Expenses related to issuing bonds		(52)	(52)
Commission and interest paid in connection with bank loan		(2,068)	(1,267)
Net cash flow from financing activities		**(2,120)**	**(1,319)**
Net decrease in cash and cash equivalents		**(2,870)**	**(42,330)**
Cash and cash equivalents at the beginning of the period		**3,350**	**65,543**
Cash and cash equivalents at the end of the period	9	**480**	**23,213**

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)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 3-month period ended 31 March 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		-	-	*4,604*	*4,604*
Comprehensive income for the period		-	-	4,604	4,604
As at 31 March 2015 *(unaudited)*		**147,967**	**1,140,860**	**(60,120)**	**1,228,707**

	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)
As at 1 January 2014		147,967	1,140,860	(77,105)	1,211,722
Net loss for the period		-	-	*1,535*	*1,535*
Comprehensive income for the period		-	-	1,535	1,535
As at 31 March 2014 *(unaudited)*		**147,967**	**1,140,860**	**(75,570)**	**1,213,257**

Krzysztof Adaszewski Piotr Janik Teresa Rogala
/President of the Management Board/ /Vice-President of the Management Board/ /on behalf of SFERIA Spółka Akcyjna/

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed financial statements of the Company cover the 3-month period ended 31 March 2015 and contain comparative data as required by the International Financial Reporting Standards (“IFRS”).

The interim condensed statement of comprehensive income includes data for the 3-month period ended 31 March 2015 and comparative data for the 3-month period ended 31 March 2014, data for the for the 3-month period ended 31 March 2015 and comparative data for the 3-month period ended 31 March 2014 were not subject to a review or an audit by an independent auditor.

On 13 May 2015, these interim condensed financial statements of Midas S.A. for the 3-month period ended 31 March 2015 were approved for publication by the Management Board of Midas S.A.

Midas S.A. also prepared interim condensed consolidated financial statements for the 3-month period ended on 31 March 2015 which were approved by the Management Board of Midas S.A. for publication on 13 May 2015.

1. General information

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

The Company is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, Division XII Commercial of the National Court Register, under KRS 0000025704. The Company was granted statistical 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 Financial Reporting Standards (“IFRS”) approved by the European Union, in particular in accordance with International Accounting Standard No. 34.

As at the date of adoption of these statements for publication, taking into account the EU process of implementing the IFRS standards and the business conducted by the Company, within the scope of the accounting policies applied by the Company, the IFRS differ from the EU IFRS.

The EU IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (the “IASB”) and the International Financial Reporting Interpretations Committee (the “IFRIC”).

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.

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

3. 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:

- IFRS 9 *Financial Instruments* (published on 24 July 2014) - effective for annual periods beginning on or after 1 January 2018 - not adopted by the EU until the date of adoption of these financial statements,
- Amendments of IAS 19 *Defined benefit plans: employee contributions* (published on 21 November 2013) – which apply for annual periods beginning on or after 1 July 2014 – in the EU, applicable at the latest to annual periods beginning on or after 1 February 2015
- *Amendments resulting from an IFRS review 2010-2012* (published on 12 December 2013) - some of the amendments are effective for annual periods beginning on or after 1 July 2014, and some prospectively for transactions taking place on or after 1 July 2014 - in the EU, effective at the latest for annual periods beginning on or after 1 February 2015,
- IFRS 14 *Regulatory deferral accounts* (published on 30 January 2014) - effective for annual periods beginning on or after 1 January 2016 - no decision was made regarding the time frame in which EFRAG will conduct each phase of the works leading to the adoption of the standard, not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IFRS 11 *Accounting for acquisitions of interests in joint operations* (published on 6 May 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 16 and IAS 38 *Clarification of acceptable methods of depreciation and amortisation* (published on 12 May 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- IFRS 15 *Revenues from contracts with customers* (published on 28 May 2014) - effective for annual periods beginning on or after 1 January 2017 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 16 and IAS 41 *Agriculture: bearer plants* (published on 30 June 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 27 *Equity method in separate financial statements* (published on 12 August 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture* (published on 11 September 2014) - effective for annual periods beginning on or after 1 January 2016, where that date was initially deferred by the IASB - no decision was taken on the date by which EFRAG will implement particular stages of work leading to the adoption of those changes - not adopted by the EU by the date of adoption of these financial statements,
- *Amendments resulting from an IFRS review 2012-2014* (published on 25 September 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment entities: application of an exception concerning consolidation* (published on 18 December 2014) - effective for financial years beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements,
- Amendments to IAS 1 *Disclosures* (published on 18 December 2014) - effective for annual periods beginning on or after 1 January 2016 - not adopted by the EU by the date of adoption of these financial statements.

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

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

4. Business segments

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

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.

5. 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.

6. Revenues and costs

6.1. Revenues from core operating activities

	3-month period ended 31 March 2015 *(unaudited)*	**3-month period ended 31 March 2014** *(unaudited)*
Income from interest on borrowings granted to related entities	14,664	11,061
Other revenues from related entities	284	-
Revaluation of embedded derivative	1,184	-
Positive exchange rate differences	-	1
Total	**16,132**	**11,062**

During the 3-month period ended 31 March 2015, revenues from core operating activities increased by PLN 5,070,000 in comparison to the corresponding period of the previous year. The above changes result primarily from the higher value of loans granted to subsidiaries and thus, the increased value of the interest computed on short- and long-term loans granted and from recharging the cost of the bank loan (commissions, cost of collaterals) granted by Alior Bank to the subsidiary Aero2.

The other changes in revenues result from a revaluation of the embedded derivative (early bond redemption option).

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

6.2. Own costs from core operating activities

	3-month period ended 31 March 2015 *(unaudited)*	3-month period ended 31 March 2014 *(unaudited)*
Interest on bonds	8,776	7,372
Interest on bank loans received	1,698	1,047
Commission on bank loans received	408	206
Other costs	21	32
Total	**10,903**	**8,657**

During the 3-month period ended 31 March 2015, costs of core operating activities increased by PLN 2,246,000 in comparison to the corresponding period of the previous year. The above changes result from an increase in costs related to issuing the bonds and servicing the debt under the investment loan obtained from Alior Bank.

6.3. Finance income

During the 3-month period ended 31 March 2015, there was a decrease in finance income of PLN 234,000 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.

7. Property, plant and equipment

7.1. Purchases and disposals

During the 3-month period ended 31 March 2015, the Company did not make major investments into property, plant and equipment (during the 3-month period ended on 31 March 2014, it did not make major investments). During the 3-month period ended 31 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 56,000).

7.2. Impairment write-downs

During the 3-month period ended 31 March 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).

8. Other non-current and current assets

During the 3-month period ended 31 March 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:

	31 March 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
Loans granted (including interest)	412,927	416,126
Embedded derivatives - option of early redemption of bonds	55,830	54,647
Total	**1,434,960**	**1,436,976**

Embedded derivative

As at 31 March 2015, the Company revalued the embedded derivative. The change in the value of the embedded derivative results from the change (increase) in the value of the discount (change of security) on the bonds, and changes in market parameters, including changes in the profitability of bonds with similar maturities.

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

Other current assets

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

9. Cash and cash equivalents

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

	31 March 2015 *(unaudited)*	31 March 2014 *(unaudited)*
Cash at bank and on hand	15	15
Short-term bank deposits	465	23,198
Cash and cash equivalents	**480**	**23,213**

10. Provisions

During the 3-month period ended 31 March 2015, there were no movements in the level of provisions recognised.

11. Interest-bearing bank loans, borrowings and issued papers and bonds

During the 3-month period ended 31 March 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.

12. Trade and other receivables

During the 3-month period ended 31 March 2015, there was no significant change in the value of trade and other receivables in comparison to the balance as at 31 December 2014. Receivables comprise the following items:

	31 March 2015 *(unaudited)*	31 December 2014
Receivables from the sale of fixed assets	35	35
Receivables from related parties	4,688	4,593
Other receivables	11	-
Total	**4,734**	**4,628**

13. Loans granted

During the 3-month period ended 31 March 2015, the Company did not grant any new loans. During the 3-month period ended 31 March 2015, there was a change in the presentation of receivables under loans granted between non-current and current receivables in accordance with the payment dates set out in the agreements.

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

	31 March 2015 *(unaudited)*	31 December 2014
Loans granted (together with interest computed)	682,094	667,428
Total	**682,094**	**667,428**
Loans granted - non-current	269,167	251,302
Non-current (presented in the statement of financial position under financial assets (non-current))	412,927	416,126

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	WIBOR 1M plus margin, interest accrued in arrears – WIBOR 1M 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 (WIBOR 1M plus margin)
Aero2	169,000	31.12.2015	WIBOR 1M plus margin, interest accrued in arrears – WIBOR 1M 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	WIBOR 1M plus margin, interest accrued in arrears - WIBOR 1M 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.

14. Goals and principles of financial risk management

During the 3-month period ended 31 March 2015, the Company did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk compared with those described in the annual separate financial statements for 2014.

15. Capital management

During the 3-month period ended on 31 March 2015, the Company did not change its goals, principles or procedures for capital management compared to those disclosed in the 2014 annual separate financial statements.

16. Contingent liabilities and contingent assets

In the 3-month period ended on 31 March 2015, there were no changes in contingent liabilities and contingent assets compared with the data disclosed in the 2014 annual separate financial statements.

The Management Board of the Company is not able to predict the final outcome of the proceedings concerning frequency reservations pending 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 8 to these separate financial statements.

17. Investing liabilities

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

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

18. Transactions with related parties

The table below presents the total values of transactions with related parties entered into during the 3-month periods ended on 31 March 2015 and 31 March 2014, and the balances of receivables and liabilities as at 31 March 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 31 March 2015** *(unaudited)*	15,710	14,664	1,046	-
	3-month period ended 31 March 2014 *(unaudited)*	11,117	11,061	-	56
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 31 March 2015** *(unaudited)*	-	-	-	-
	3-month period ended 31 March 2014 *(unaudited)*	38	-	-	38

		Costs of mutual transactions, of which:	other
Subsidiaries	**3-month period ended 31 March 2015** *(unaudited)*	105	105
	3-month period ended 31 March 2014 *(unaudited)*	35	35
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 31 March 2015** *(unaudited)*	635	635
	3-month period ended 31 March 2014 *(unaudited)*	636	636

		Receivables from related parties, of which:	trade	borrowings
Subsidiaries	**31 March 2015** *(unaudited)*	686,782	4,688	682,094
	31 December 2014	672,021	4,593	667,428

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

		Liabilities towards related parties, of which:	trade
Subsidiaries	**31 March 2015** *(unaudited)*	487	487
	31 December 2014	348	348
Entities controlled by a person (or members of their family) who controls, jointly controls or has significant influence over Midas S.A.	**31 March 2015** *(unaudited)*	217	217
	31 December 2014	233	233

19. Remuneration of the Company's management staff

	3-month period ended 31 March 2015 *(unaudited)*	3-month period ended 31 March 2014 *(unaudited)*
Management Board		
Current employee benefits or similar (wages and salaries and bonuses)	161	125
Supervisory Board		
Current employee benefits or similar (wages and salaries and bonuses)	30	15
Total	**191**	**140**

20. Events occurring after the balance sheet date

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 million. The funds from the loan were sent directly to the bank account of the Company’s subsidiary, i.e. Aero2, in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. The loan bears variable interest, calculated on the basis of the cost of capital for Midas increased by a margin.

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 ENTRUSTED TO MAINTAIN THE BOOKS OF ACCOUNT:

Teresa Rogala
/on behalf of SFERIA
Spółka Akcyjna/

Warsaw, 13 May 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 31 March 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 31 March 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 31 March 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"),

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 first quarter of 2015.

As at 31 March 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.

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.

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

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

In the first quarter of 2015, there were no changes in the Midas Group's structure.

3. Structure of the share capital

As at 31 March 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. 13 May 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").

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 14 November 2014, until the date hereof, i.e. 13 May 2015, there have been no changes in the ownership structure of significant blocks of shares in the Company.

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

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 13 March 2015. In the period from the date of submitting the most recent interim report, i.e. 3 March 2015, until the date of publishing this report, i.e. 13 March 2015, the Company received one notification pursuant to Article 160 of the Act on Trading. On 11 March 2015, the Company received notification from a Member of the Company's Supervisory Board regarding the sale of 40,000 ordinary shares in the Company by an ordinary session transaction on the regulated market of the Warsaw Stock Exchange. The transaction was concluded on 4 March 2015 and the price per share was PLN 0.66.

Name and surname	**Position**	**Number of shares in the Company held as at 13 March 2015**	**Nominal value of shares held in the Company (PLN)**
Wojciech Pytel	Chairman of the Supervisory Board	none	N/A
Zygmunt Solorz-Żak (*)	Deputy Chairman of the Supervisory Board	none	N/A
Andrzej Abramczuk	Secretary of the Supervisory Board	none	N/A
Andrzej Chajec (**)	Member of the Supervisory Board	none	N/A
Krzysztof Majkowski (***)	Member of the Supervisory Board	20.000	2.000
Mirosław Mikołajczyk	Member of the Supervisory Board	none	N/A
Krzysztof Adaszewski	President of the Management Board	none	N/A
Piotr Janik	Vice-President of the Management Board	none	N/A

(*) 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 point 1 of the Act on Trading, holds 250 shares in the Company (with a nominal value of PLN 25).
(***) as at the date of publication of the report for 2014 – 60,000 shares (nominal value - PLN 6,000).

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 first quarter of 2015, companies from the Midas Capital Group did not grant to any entity any sureties for loans, borrowings or guarantees whose value exceeded 10 per cent of the Company's equity.

7. Dividends

In the three-month period ended 31 March 2015, entities from the Midas Group did not pay or declare any dividends.

In the investment loan agreement concluded on 10 July 2014 with Bank Polska Kasa Opieki S.A. for up to PLN 200 million (as set forth in current report No. 16/2014 of 11 July 2014), the Company agreed that, until the lapse of the loan 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 first 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 per cent 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 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 periodic reports of the Company, available on the Company's website at: http://midas-sa.pl/Relacje_inwestorskie/Raporty_gieldowe/Raporty_okresowe).

<u>Proceedings related to the tender concerning frequencies in the 1710-1730 MHz and 1805-1825 MHz ranges, subject to reservation for CenterNet and Mobyland</u>

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 gross breach 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 Polska 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 Polska 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 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.

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

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 ruling 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 ruling 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. The Company filed an appeal against that judgement, which has not yet been heard.

In a judgement of 5 February 2015, XVII AmT 73/13, the OCCP Court 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. The Company filed an appeal against this portion of the judgement that dismissed the appeal. The date of the appeal hearing is unknown.

10. Transactions with related parties

In the first 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 26 to the interim condensed consolidated financial statements for the 3-month period ended 31 March 2015.

11. Developments and agreements concluded by the Midas Group

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

Write-down of the value of the frequency reservation in the 2570-2620 MHz range by Aero2

On 12 February 2015, the Management Board of Aero2 made a decision made to write down the value of the frequency reservation in the 2570-2620 MHz range granted by the President of the Office of Electronic Communications (the "President of the OEC") to Aero2 in the reservation decision of 10 November 2009 and the amended decision of the President of the OEC of 4 September 2012. The write-down of the carrying amount of non-current assets (the "Write-down") was made in the consolidated financial statements of the Midas S.A. Capital Group (the "Group") for 2014 and therefore encumbered the consolidated operating results of the Group for the fourth quarter of 2014. As a consequence of the write-down (as a result of which the value of the aforementioned assets will be zero zlotys), the consolidated operating result of the Group for 2014 will be encumbered by PLN 126.4 million, and the consolidated net result of the Group by PLN 104.9 million. The write-down is regarded as a one-off, non-cash event. The Management Board of the Company stresses that the event has no influence on operating activities, because as at today the frequency in the 2570-2620 MHz range is not being used to generate network capacity being made available to the Group's key customers. The Management Board of the Company also stresses that the event described is not identical to a waiver of the right to the frequency described by Aero2 or a withdrawal of that company's right to it. The write-down concerns the book value, in the consolidated financial statements of the Group, of the frequency reservation of Aero2 in the 2570-2620 MHz range, and was being made mainly in connection with the failure to meet the obligation described in part II item 2 of the reservation decision of 10 November 2009, subsequently amended by the decision of the President of the OEC of 4 September 2012, and as a result of a periodic assessment of the current possibilities of using the frequency reservation. The Company reported on this development in Current Report No. 2/2015.

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.

Agreement with Sferia concerning the 800 MHz band in the LTE technology

On 26 February 2015 the Supervisory Board of the Company consented to the conclusion of an Infrastructure Supply Agreement (the "Supply Agreement"), and thereby fulfilled the final condition precedent contained in the Framework Agreement described in Current Report No. 55/2012. At the same time, the Supervisory Board of the Company consented to the conclusion of a wholesale telecommunications network access agreement (the "Wholesale Agreement"). The Company reported on those events in Current Report No. 3/2015. In view of the foregoing, on 3 March 2015, the companies Aero2 and Mobyland concluded the Supply Agreement and the Wholesale Agreement with Sferia (Current Report No. 5/2015).

Under the Supply Agreement, Aero2 will make 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. Under the Wholesale Agreement, Mobyland is authorised to acquire, for its own benefit or that of its customers, telecommunications services created by Sferia in LTE technology in the 800 MHz band. The remuneration resulting from the conclusion of the above agreements is in the form of a lump sum, whose total value (together with other settlements with Sferia for the last 12 months) does not exceed the threshold of 10 per cent of the Company's equity.

In the first phase of implementation of the LTE800 network, about 1,200 stations will be started up, while taking account of the optimal reach of the LTE800 network, a total of more than 5,000 stations may be constructed and started up. The deadline for the start-up of the LTE800 network will depend, however, on a number of conditions, including the technical conditions for the construction of the network. On 24 March 2015, as part of performing the Supply Agreement, Aero2 commissioned LTE800 transmitters in more than 1,000 locations.

Agreement with Polkomtel regarding new terms and conditions of continued cooperation

On 3 March 2015, Mobyland signed an understanding (the "Understanding") with Polkomtel and accepted the order submitted by Polkomtel for data transmission services ("Order 4"). The Company reported on this development in Current Report No. 4/2015.

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

- The new rate for data transmission services will be PLN 2.40 net for 1 GB.

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

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

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

a) PLN 119.25 million net - for the first quarter of 2015, in 3 equal monthly instalments
b) PLN 132.00 million net - for the second quarter of 2015, in 3 equal monthly instalments
c) PLN 245.00 million net - for the third quarter of 2015, in 3 equal monthly instalments
d) PLN 354.00 million net - for the fourth quarter of 2015, in 3 equal monthly instalments
e) PLN 989.31 million net - for 2016, in 12 equal monthly instalments
f) PLN 880.00 million net - for 2017, in 12 equal monthly instalments
g) PLN 907.92 million net - for 2018, in 12 equal monthly instalments

On the date of publication of this current report, Order 4 for 1,571.68 million GB with a value of PLN 3,772.04 million exceeded 10 per cent of the equity of the Company, which qualified Order 4 as a significant agreement. As a result of Mobyland accepting Order 4, the total value of orders and agreements submitted and concluded from 17 December 2014 to the date of publication of this information, i.e. 3 March 2015, inclusive, by entities from the Midas Capital Group in relation to Polkomtel and other entities from the Cyfrowy Polsat Capital Group amounts to PLN 3,772.23 million.

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

Supreme Administrative Court (SAC) ruling on the tender for the reservation of the 2.6 GHz frequency

On 9 April 2015, the SAC dismissed Milmex's cassation appeal. This development was described in detail in item 9 hereof and in Current Report No. 7/2015.

Submission by Aero2 Sp. z o.o. of further orders for the services provided by Polkomtel, whose total value exceeds 10 per cent of the equity of Midas S.A.

On 22 April 2015, Polkomtel accepted two more orders from Aero2 for services to be provided by Polkomtel to Aero2, including SITE and SITE transmission services (the "Orders").

As a result of accepting the Orders, the total value of orders submitted and concluded since 3 March 2015 until and including the date of publication hereof, i.e. 22 April 2015, by entities from the Midas Capital Group in relation to Polkomtel reached PLN 273 million, and therefore exceeded 10 per cent of the Company's equity. The orders were submitted as part of implementing a cooperation agreement concerning mutual provision of telecommunications infrastructure services, concluded by Aero2 on 30 March 2012 with Polkomtel, which the Company reported in Current Report No. 22/2012 (the "Agreement").

The highest-value order was placed on 22 April 2015 and concerned SITE-type services. Its value, calculated on the basis of a 5-year period of providing the services covered by that order, was PLN 159 million (the "Order").

The SITE-type services covered by the above order will be provided under the conditions described in the Agreement in each place for a period of five years counting from the date on which Polkomtel announces its readiness to provide the services in a given place, in accordance with the provisions of the Agreement. The Order does not regulate the issue of compensation and contractual penalties – the general terms and conditions of the Agreement will apply in this respect. The other terms and conditions of the Order do not differ from those commonly applied to transactions of this kind. The Company assumes the criterion of 10 per cent of its equity as the criterion for considering the total value of orders and agreements to be significant. The Company reported on this development in Current Report No. 8/2015.

The Framework Agreement with Ericsson Sp. z o.o. reaching the value of a significant agreement.

On 23 April 2015, the Management Board of the Company became aware that following subsequent orders placed by Aero2 at Ericsson the accumulated value of orders under the Framework Agreement placed from 23 July 2012 until 23 April 2015 under the Framework Agreement for the delivery, integration and maintenance of the mobile access telecommunications network exceeded 10% of the Company's capitals. Thus, the Framework Agreement reached the status of a significant agreement. Detailed information about the terms and conditions of the Framework Agreement was provided in Current Report No. 35/2012. The Company reported on this development in Current Report No. 9/2015.

Drawdown of a tranche of the loan

On 24 April 2015, Midas drew down another tranche of the investment loan (agreement with Alior Bank of 28 February 2013) in the amount of PLN 5 million. The funds from the loan were sent directly to the bank account of the Company's subsidiary, i.e. Aero2, in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. The loan bears variable interest, calculated on the basis of the cost of capital for Midas increased by a margin.

11.3. Other developments and agreements concluded by the Midas Group

On 2 January 2015, the companies Aero2 and Sferia terminated the following agreements by mutual consent:

- a cooperation agreement concluded on 8 January 2010 pertaining to the construction of a telecommunications network
- an agreement of 30 November 2011 on terms and conditions for the mutual use of telecommunications infrastructure or telecommunications network components.

Termination of the agreements will not have a significant effect on the operations of the Midas Capital Group (the effect of termination of the agreement of 30 November 2011 was described in Note 6 to the condensed consolidated quarterly report for the 3 month-period ended on 31 March 2015). The Midas Group will continue to cooperate with Sferia under the agreements described in item 11.1 above.

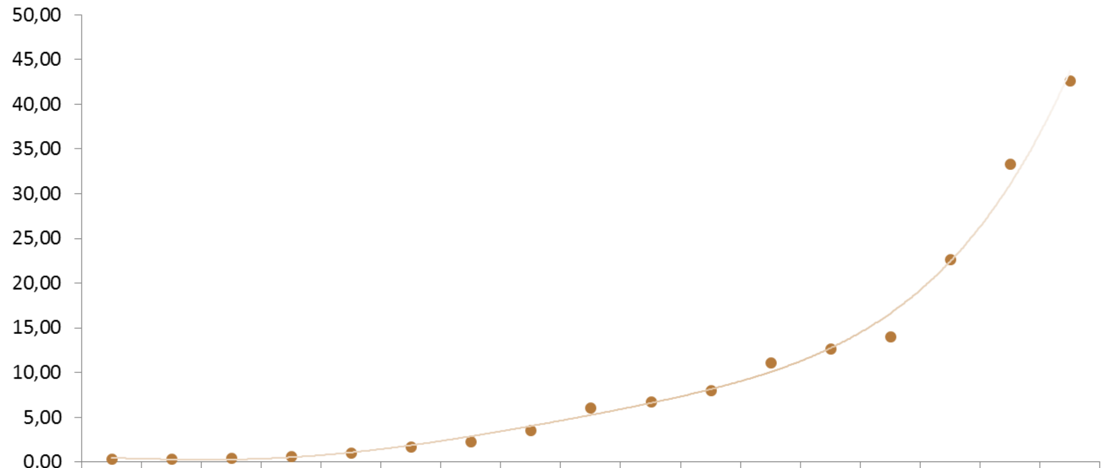
On 30 March 2015, the Company, together with Aero2 and Mobyland, as the borrowers, signed an annex to the loan agreement with Bank Pekao, described in detail in Current Report No. 16/2014 of 11 July 2014. The changes made in the annex were mainly of a formal nature and stemmed from the merger of Aero2 and CenterNet, registered on 31 December 2014.

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 March 2015): (i) approximately 4,940 base stations operating on the basis of the HSPA+ technology, and (ii) approximately 5,200 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 31 December 2014, the number of base stations operating on the basis of the HSPA+ technology increased by approximately 40, while the number of base stations operating on the basis of the LTE technology increased by approximately 1,050. As at 31 March 2015, more than 99% of Poland's population had HSPA+ coverage, while 90% 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	1Q 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

In response to the changes that recently occurred in the Issuer's business and market environment, which involved (i) a significant increase in the usage of telecommunications services relying on broadband data transfer, (ii) a release by the regulatory authorities of several frequency resources (800 MHz band) to be used for broadband services, (iii) significant increase in competitiveness between internet access providers, (iv) introducing innovative telecommunications services for mobile networks, (v) acceptance by the Issuer of another order for wholesale data supply. The Management Board of the Issuer expects that it may be necessary to become involved long-term in "Project 800", which is believed to be an investment in infrastructure to support broadband mobile internet access using the 800 MHz frequency and obtaining the right to the 800 MHz frequency without participating in the tender for the reservation of frequencies in the 800 MHz range.

In the opinion of the Management Board of the Issuer, such long-term involvement in Project 800 would enable the Midas Group to maintain its competitive standing on the market for wholesale access to broadband telecommunications services, mainly by providing the Midas Group's customers with complementary coverage in Poland with LTE800 services. In the opinion of the Management Board of the Issuer, implementation of "Project 800" will help build the long-term value of the Midas Group and be consistent with the growth strategy announced by the Issuer.

Furthermore, the proposed action plan regarding involvement in the construction of the LTE800 network (i.e. not including participating in the tender) would protect the Midas Group from extensive one-off costs related to frequency reservations. Consequently, the investment process involved in "Project 800" would be spread out over time and in the assessment of the Management Board of the Company, as at the date of publication of this current report, the Understanding and Order 4 accepted on its basis (set out in detail in Current Report No. 4/2015) and the financing obtained would permit the Company to finance its involvement in "Project 800" in accordance with the above action plan. The final cost of "Project 800" depends on the quantity of bandwidth available in the 800 MHz range and on the possible investments resulting from that availability. At the same time, the Management Board announces that, given the implementation of "Project 800", in updating its strategy the Midas Group will increase the number of locations and base stations comprising the telecommunications network it currently uses, and this will have a significant effect on the Company's performance and cash flow level, particularly over the medium term, through increasing the Company's operating expenses and capital expenditures in connection with developing the LTE 800 network and obtaining the right to the 800 MHz frequency.

As at the date of publication hereof, the Midas Group is constructing a 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. It is estimated that in the first phase of implementation of the LTE800 network, about 1,200 stations will be started up, while taking account of the optimal reach of the LTE800 network, this phase may entail constructing and starting up a total of more than 5,000 stations. The deadline for the start-up of the target number of LTE800 stations will depend, however, on a number of conditions, including the technical conditions for the construction of the network. As at 31 March 2015, the Midas Group had approximately 1,000 stations operating in the LTE800 technology.

Therefore, in the event of the Group's long-term involvement in "Project 800", the assumptions for Phase III, which is part of Project 4100 (described in detail in the prospectus available at

http://midas-sa.pl/resources/document/Prospekt_emisyjny_NFI_Midas_SA_zatwierdzony_8_lutego_2012_r.pdf) 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 first quarter of 2015, there is no other information besides that disclosed in this interim report which is essential for the staffing, assets, financial position, financial result and changes thereto, nor is there any information which is relevant for the assessment of the Company's ability to fulfil its obligations.

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.

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

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 LTE data transfer services 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.

   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 revenue 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 revenue 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 steady pace).

5. Continued price increases 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 price increase in the tender conducted by the President of the OEC 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, 13 May 2015