The Capital Group
Midas Spółka Akcyjna

Interim consolidated report
for the 6-month period ended 30 June 2015

PSr 1/2015

Place and date of publication: Warsaw, 25 August 2015

CONTENT OF THE REPORT:

SELECTED FINANCIAL DATA OF THE MIDAS CAPITAL GROUP

	6-month period ended 30 June 2015 in PLN '000	**6-month period ended 30 June 2014 in PLN '000**	**6-month period ended 30 June 2015 in EUR '000**	**6-month period ended 30 June 2014 in EUR '000**
Revenue from sales	256,823	139,346	62,123	33,349
Loss on operating activities	(71,531)	(149,486)	(17,303)	(35,776)
Loss before taxation	(94,478)	(163,928)	(22,853)	(39,232)
Net loss on continuing operations attributable to shareholders of the Issuer	(92,161)	(160,052)	(22,293)	(38,304)
Net cash flow from operating activities	16,616	1,685	4,019	403
Net cash flow from investing activities	(105,881)	(59,635)	(25,611)	(14,271)
Net cash flow from financing activities	69,060	51,063	16,705	12,221
Average weighted number of shares	1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Basic loss from continuing operations per ordinary share (in PLN)	(0,06)	(0,11)	(0,02)	(0,03)

	As at 30 June 2015 in PLN '000	**As at 31 December 2014 in PLN '000**	**As at 30 June 2015 in EUR '000**	**As at 31 December 2014 in EUR '000**
Total assets	1,425,380	1,394,620	339,829	327,199
Total liabilities	1,075,272	952,351	256,359	223,436
Non-current liabilities	647,917	591,784	154,472	138,841
Current liabilities	427,355	360,567	101,887	84,594
Equity attributable to equity holder of the issuer	350,108	442,269	83,470	103,763
Share capital	147,967	147,967	35,277	34,715

SELECTED FINANCIAL DATA OF MIDAS S.A.

	6-month period ended 30 June 2015 in PLN '000	**6-month period ended 30 June 2014 in PLN '000**	**6-month period ended 30 June 2015 in EUR '000**	**6-month period ended 30 June 2014 in EUR '000**
Revenues from core operating activities	30,671	23,912	7,419	5,723
Profit on operating activities	3,828	3,794	926	908
Profit before tax	3,837	4,178	928	1,000
Net profit on continuing operations attributable to equity holders of the Company	3,107	4,178	752	1,000
Net cash flow from operating activities	3,313	(42,554)	801	(10,184)
Net cash flow from investing activities	(234)	17	(57)	4
Net cash flow from financing activities	(4,364)	(2,832)	(1,056)	(678)
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)	0,0021	0,0028	0.00051	0.00068

	As at 30 June 2015 in PLN '000	**As at 31 December 2014 in PLN '000**	**As at 30 June 2015 in EUR '000**	**As at 31 December 2014 in EUR '000**
Total assets	1,576,653	1,696,955	375,895	398,131
Total liabilities	349,443	472,852	83,312	110,938
Non-current liabilities	348,696	467,560	83,134	109,697
Current liabilities	747	5,292	178	1,242
Equity attributable to equity holder of the issuer	1,227,210	1,224,103	292,583	287,193
Share capital	147,967	147,967	35,277	34,715

Selected items from the interim condensed consolidated and interim condensed standalone statements of financial position presented in EUR were converted using the average EUR exchange rate announced by the National Bank of Poland on 30 June 2015: 4.1944 PLN/EUR, and on 31 December 2014: 4.2623 PLN/EUR.

Selected items from the interim condensed consolidated and interim condensed non-consolidated statements of comprehensive income and from the interim condensed consolidated and the interim condensed standalone statement of cash flow were converted into EUR using the exchange rate announced by the National Bank of Poland, being the arithmetic mean of average EUR exchange rates which were in effect on the last day of each completed month in the 6-month period ended 30 June 2015 and the 6-month period ended 30 June 2014 (4.1341 PLN/EUR and 4.1784 PLN/EUR respectively).

The Capital Group
of MIDAS Spółka Akcyjna

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2015
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

CONTENTS

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2015

	Note	3-month period ended 30 June 2015 *(unaudited)*	6-month period ended 30 June 2015 *(unaudited)*	3-month period ended 30 June 2014 *(unaudited)*	6-month period ended 30 June 2014 *(unaudited)*
Continuing operations					
Revenue from the sale of goods and services	7	133,855	256,823	72,452	139,346
Depreciation and amortisation		(33,056)	(59,814)	(30,403)	(59,392)
Wages and salaries		(1,531)	(3,194)	(2,211)	(4,275)
Expenses related to the telecommunications network	8.1	(134,339)	(244,402)	(97,665)	(199,778)
Taxes and charges		(6,651)	(13,828)	(7,178)	(13,787)
Other costs by type	8.2	(5,908)	(10,449)	(7,384)	(13,934)
Other operating income	9	3,140	4,030	1,379	2,713
Other operating expenses	10	(325)	(697)	(109)	(379)
Loss on operating activities		**(44,815)**	**(71,531)**	**(71,119)**	**(149,486)**
Finance income	11	304	766	1,341	1,899
Financial costs	12	(14,549)	(23,713)	(8,421)	(16,341)
Loss on financial activities		**(14,245)**	**(22,947)**	**(7,080)**	**(14,442)**
Loss before taxation		**(59,060)**	**(94,478)**	**(78,199)**	**(163,928)**
Current income tax		-	-	-	-
Deferred tax		796	2,317	705	3,876
Total income tax		**796**	**2,317**	**705**	**3,876**
Net loss on continuing operations		**(58,264)**	**(92,161)**	**(77,494)**	**(160,052)**
Net profit/ (loss) from discontinued operations		-	-	-	-
Net loss		**(58,264)**	**(92,161)**	**(77,494)**	**(160,052)**
Other comprehensive income		-	-	-	-
COMPREHENSIVE LOSS		**(58,264)**	**(92,161)**	**(77,494)**	**(160,052)**
Attributable to:					
ownership interests of shareholders of the parent		(58,264)	(92,161)	(77,494)	(160,052)
non-controlling interests		-	-	-	-
Average weighted number of ordinary shares		1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Net loss on continuing operations per 1 share attributable to shareholders of the parent (in PLN)		(0,04)	(0,06)	(0,05)	(0,11)

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

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

ASSETS	Note	30 June 2015 *(unaudited)*	31 December 2014
Non-current assets			
Property, plant and equipment	13	556,486	467,734
Intangible assets	14	560,526	577,082
goodwill of subsidiaries		41,231	41,231
value of frequency reservations		502,802	533,712
other intangible assets		16,493	2,139
Other financial assets	17.1	74,137	74,650
Other non-financial assets	17.2	354	13,591
Total non-current assets		**1,191,503**	**1,133,057**
Current assets			
Inventories		243	736
Trade and other receivables	16	182,817	189,297
Other assets		17,123	17,148
Current prepayments		449	932
Cash and cash equivalents	15	33,245	53,450
Total current assets		**233,877**	**261,563**
Total assets		**1,425,380**	**1,394,620**

EQUITY AND LIABILITIES	Note	30 June 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		(938,624)	(846,463)
Accumulated losses		(846,463)	(525,606)
Loss for the current period		(92,161)	(320,857)
Non-controlling interests		-	-
Total equity		**350,108**	**442,269**
Non-current liabilities			
Interest-bearing loans and borrowings	19	210,553	160,794
Liabilities from issue of bonds	21	345,959	328,054
Deferred income	20	20,000	33,325
Provisions	18	18,629	14,519
Deferred tax liability		52,776	55,092
Total non-current liabilities		**647,917**	**591,784**
Current liabilities			
Trade and other payables	25	174,663	161,689
Deferred income	20	176,043	150,973
Interest-bearing loans and borrowings	19	76,649	47,905
Total current liabilities		**427,355**	**360,567**
Total equity and liabilities		**1,425,380**	**1,394,620**

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

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS for the 6-month period ended 30 June 2015

	Note	6-month period ended 30 June 2015 *(unaudited)*	6-month period ended 30 June 2014 *(unaudited)*
Gross loss		**(94,478)**	**(163,928)**
Adjustments of items:			
Depreciation and amortisation of fixed and intangible assets		59,814	59,392
Interest expenses and income and commissions		21,161	15,739
Loss from investing activities		642	231
Change in the balance of assets and liabilities related to operating activities:			
- Trade and other receivables	26.1	6,445	11,227
- Inventories		493	1
- Trade and other payables	26.2	7,233	(15,174)
- Deferred income		11,745	95,047
- Provisions	26.3	256	241
- Prepayments, accruals and other non-financial assets	26.4	2,471	(286)
Revaluation of embedded derivative		794	(867)
Other adjustments		40	62
Net cash flow from operating activities		**16,616**	**1,685**
Proceeds from sales of property, plant and equipment and intangible assets		64	43
Purchase of property, plant and equipment and intangible assets		(105,679)	(59,678)
Purchase of other non-current assets (advance for the shares)	17.1	(266)	-
Net cash flow from investing activities		**(105,881)**	**(59,635)**
Proceeds from loans borrowed	19	78,762	55,000
Repayment of loans	19	(2,500)	-
Commission and interest paid on bank loans		(7,150)	(3,885)
Other		(52)	(52)
Net cash flow from financing activities		**69,060**	**51,063**
Net increase (decrease) in cash and cash equivalents		(20,205)	(6,887)
Cash at beginning of period		**53,450**	**100,247**
Cash at end of period	15	**33,245**	**93,360**

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 STATEMENTS OF CHANGES IN EQUITY
for the 6-month period ended 30 June 2015

	Note	*Equity attributable to equity holder of the parent*					
	Note	**Share capital**	**Supplementary capital**	**Uncovered losses**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2015		**147,967**	**1,140,765**	**(846,463)**	**442,269**	**-**	**442,269**
Net loss for the period		-	-	*(92,161)*	*(92,161)*	-	*(92,161)*
Total loss for the period		-	-	(92,161)	(92,161)	-	(92,161)
As at 30 June 2015 *(unaudited)*		**147,967**	**1,140,765**	**(938,624)**	**350,108**	**-**	**350,108**

	Note	Share capital	Supplementary capital	Uncovered losses	Total	Non-controlling interests	Total equity
As at 1 January 2014		**147,967**	**1,140,765**	**(525,606)**	**763,126**	**-**	**763,126**
Net loss for the period		-	-	*(160,052)*	*(160,052)*		*(160,052)*
Total loss for the period		-	-	(160,052)	(160,052)	-	(160,052)
As at 30 June 2014 *(unaudited)*		**147,967**	**1,140,765**	**(685,658)**	**603,074**	**-**	**603,074**

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

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

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed consolidated financial statements of Midas S.A Capital Group ("Group", "Midas Group") cover the 6-month period ended 30 June 2015 and contain comparative data for the 6-month period ending on 30 June 2014 and as at 31 December 2014.

The interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated statement of comprehensive income include data for the 6-month period ended 30 June 2015, the 3-month period ended 30 June 2015, and comparative data for the 6-month period ended 30 June 2014 and the 3-month period ended 30 June 2014. The data for the 3-month period ended 30 June 2015 and the comparative data for the 3-month period ended 30 June 2014 were not subject to a review or an audit by an independent auditor. Moreover, 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 25 August 2015, these interim condensed consolidated financial statements of the Group for the 6-month period ended 30 June 2015 were authorised for issue by Midas S.A. (the "Management Board", "Management Board of the Company", "Management Board of the Issuer") for issue.

1. General information

The Midas S.A. Capital Group consists of Midas S.A. (the "parent", the "Company", "Midas", "Issuer") and its subsidiaries. The parent is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, 12th Commercial Department 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 June 2015, the shareholders of Litenite Ltd. were: Ortholuck Ltd and LTE Holdings SPV.

The subsidiaries of Midas S.A. belonging to the Group as at 30 June 2015 and being subject to full consolidation were:

Entity	Registered office	Scope of activity	The Company's percentage share in equity	
			30 June 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 30 June 2015 and as at 31 December 2014, the share in the total number of votes held by Midas S.A. in the subsidiaries is equal to the share of Midas S.A in the capital of those entities.

On 5 August 2015 (subsequent event) the Company acquired 3,630 shares in AltaLog representing a 66% share in the share capital of the a/m company and giving the right to 66% of votes on the general meeting.

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

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

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

The Management Board of the Company periodically analyses the liquidity of companies belonging to the Group. On the basis of that analysis, as at day of approval of the interim condensed consolidated financial statements the Management Board of the Company stated that the on-going concern assumption for Group companies in the foreseeable future, i.e. in a period of at least 12 months following the balance sheet date, is justifiable. As discussed in more detail in Note 22, the available cash and sources of financing are more than sufficient to cover the requirements resulting from the operating, investment and financing activities of the Group.

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

3. Summary of significant accounting policies

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

- *Changes resulting from the review of IFRS 2011-2013* including:
  - Amendments to IFRS 3 *Business combinations*
    After the changes, not only joint ventures, but also joint contractual arrangements are out of the scope of IFRS 3. The exception applies only to the preparation of the financial statements. The change is applied prospectively.

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

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

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

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

- IFRIC 21 *Levies*

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

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

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

4. Significant values based on professional judgement and estimates

In the 6-month period ended 30 June 2015, the Management Board of the Company assessed significant values that affect the carrying amounts of assets and liabilities and evaluated key assumptions about the future in the same areas as those disclosed in Note 5 to the 2014 annual consolidated financial statements.

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

Impairment of assets

In the 6-month period ended 30 June 2015, the Management Board of the Company did not make any changes to the Group's long-term financial plans. The Group carries out financial plans as intended so the Management Board does not see any indications for the impairment of goodwill. The most recent impairment test was described in the financial statements for the year ended 31 December 2014 (Note 16).

5. Business segments

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

6. Seasonality of activities

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

7. Revenue

	3-month period ended 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Sales of telecommunications services	132,328	240,255	70,735	136,137
Other sales	1,527	1,581	1,717	3,209
Other revenues	-	14,987	-	-
Total	**133,855**	**256,823**	**72,452**	**139,346**

During the 6-month period ended 30 June 2015, revenues increased by PLN 117,477,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, revenues increased by PLN 61,403,000 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. Comparing to the first quarter 2015 revenues from sales of telecommunications services rose by PLN 24,401,000. The Management Board of the Company emphasises that revenue from sales of telecommunications services in the second quarter of 2015 increased by approximately 22.6 per cent compared to the revenue from telecommunications services achieved in the first quarter of 2015.

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

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

8. Costs by type

8.1. Expenses related to the telecommunications network

During the 6-month period ended 30 June 2015, costs related to the telecommunications network increased by PLN 44,624,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, costs related to the telecommunications network increased by PLN 36,674,000. The expenses of maintaining and operating the telecommunications network change in accordance with an increase in the number of base stations.

8.2. Other expenses by type

During the 6-month period ended 30 June 2015, other costs by type decreased by PLN 3,485,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, other costs by type decreased by PLN 1,476,000 in comparison to the corresponding period of the previous year. The decrease in costs related mainly to a lower value of the Company's own costs of sold goods and costs of legal services.

9. Other operating income

During the 6-month period ended 30 June 2015, other operating revenue increased by PLN 1,317,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, other operating revenue increased by PLN 1,761,000 in comparison to the corresponding period of the previous year. This growth is caused mainly by a repayment received of a part of the receivables covered by the write-down. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating income comprises the following:

	3-month period ended 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Received compensation and similar benefits	7	15	2	17
Repayment of receivables covered by the write-down	2,200	2,200	-	-
Subsidies	668	1,336	668	1,354
Postal charges	170	345	376	997
Other	95	134	333	345
Total	**3,140**	**4,030**	**1,379**	**2,713**

10. Other operating expenses

During the 6-month period ended 30 June 2015, other operating costs increased by PLN 318,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, other operating costs increased by PLN 216,000 in comparison to the corresponding period of the previous year. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating expenses comprise the following:

	3-month period	**6-month period**	**3-month period**	**6-month period**

	ended 30 June 2015 *(unaudited)*	ended 30 June 2015 *(unaudited)*	ended 30 June 2014 *(unaudited)*	ended 30 June 2014 *(unaudited)*
Donations	-	-	-	30
Loss from disposal / liquidation of non-financial non-current assets	278	642	-	231
Other	47	55	109	118
Total	**325**	**697**	**109**	**379**

11. Finance income

During the 6-month period ended 30 June 2015, financial revenues decreased by PLN 1,133,000 in comparison to the corresponding period of the previous year. During the 3-month period ended
30 June 2015, financial revenues decreased by PLN 1,037,000 in comparison to the corresponding period of the previous year. The changes primarily resulted from the lower value of funds invested, a change in bank deposit interest rates and a change in the valuation (reduction) of the embedded derivative. For the purposes of the interim condensed consolidated statement of comprehensive income, financial revenues comprise the following:

	3-month period ended 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Revaluation of embedded derivative	-	-	867	867
Income from bank interest	193	538	335	750
Income from interest on borrowings granted	103	219	142	279
Other interest income	2	3	-	3
Positive exchange rate differences	-	-	(3)	-
Other finance income	6	6	-	-
Total	**304**	**766**	**1,341**	**1,899**

12. Financial costs

During the 6-month period ended 30 June 2015, financial costs increased by PLN 7,372,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, financial costs increased by PLN 6,128,000 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 credit obtained from Alior Bank S.A. ("Alior Bank") and Bank Polska Kasa Opieki S.A. ("Bank Pekao"). 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 credit granted to the Group by Bank Pekao pursuant to the credit 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 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Interest on issued bonds*	7,443	14,745	6,295	12,806
Interest on bank credit received*	3,025	4,500	1,594	2,755
Commission on bank loans received	1,218	2,150	250	457
Cost of guaranteeing debt**	561	1,116	-	-
Revaluation of embedded derivative	1,978	794	-	-

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

Late-payment interest	10	16	1	9
Negative exchange rate differences	34	34	1	1
Discount on the provision for dismantling base stations	256	256	247	247
Other finance costs	24	102	33	66
Total	**14,549**	**23,713**	**8,421**	**16,341**

** During the 6-month period ended on 30 June 2015, the Group capitalised external financing costs in the amount of PLN 6,132,000 (in the corresponding period a year before: PLN 2,164,000)*
*** The item concerns guarantees granted by Inwestycje Polskie for investment credit granted by Alior Bank.*

13. Property, plant and equipment

13.1. Purchases and disposals

During the 6-month period ended 30 June 2015, the Group acquired items of property, plant and equipment with a value of PLN 108,134,000 (mainly telecommunications infrastructure from Nokia Solutions and Networks, Ericsson, Polkomtel, Kathrein, Huawei and Sferia).

During the 6-month period ended on 30 June 2014, the Group acquired property, plant and equipment with a value of PLN 18,376,000.

During the 6-month period ended 30 June 2015 and the 6-month period ended 30 June 2014, the Group did not dispose of any items of property, plant and equipment with a significant value.

13.2. Impairment write-downs

During the 6-month period ended 30 June 2015 and the 6-month period ended 30 June 2014, the Group did not make any impairment write-down.

14. Intangible assets

14.1. Purchases and disposals

During the 6-month period ended on 30 June 2015, the Group acquired intangible assets with a value of PLN 15,173,000 (licenses related to the maintenance of the telecommunications network purchased from Polkomtel). During the 6-month period ended on 30 June 2014, the Group acquired intangible assets with a value of PLN 132,000.

During the 6-month period ended 30 June 2015 and the 6-month period ended 30 June 2014, the Group did not dispose of any intangible assets with a significant value.

14.2. Impairment write-downs

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

15. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	30 June 2015 *(unaudited)*	**31 December 2014**	**30 June 2014** *(unaudited)*
Cash at bank and on hand	16,196	22,802	35,204
Short-term bank deposits	17,049	30,648	58,141
Interest accrued on bank deposits	-	-	15
Cash and cash equivalents	**33,245**	**53,450**	**93,360**

16. Non-current receivables, trade and other receivables

During the 6-month period ended 30 June 2015, current receivables of the Group decreased by PLN 6,480,000 in comparison to the balance as at 31 December 2014. That change results mainly from a decrease in receivables from VAT of the Group.

17. Other assets

17.1. Non-current financial assets

During the 6-month period ended 30 June 2015, other non-current financial assets of the Group decreased by PLN 513,000 in comparison to the balance as at 31 December 2014. The change results mainly 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. The value of the option will be decreasing in time, i.e. the less time remaining to the repurchase date the lower the value of the option. The value of the early repurchase option is expected to further decrease in value.

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

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

The value of the early repurchase option as at 30 June 2015 is PLN 53,853,000 and as at 30 June 2014 amounted to PLN 54,647,000. Change in the value is reflected in financial expenses (Note 12).

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

Advance for the purchase of the shares in AltaLog Sp. z o.o.

On 16 June 2015 the Company entered with NASK 4Innovation Sp. z o.o. into the preliminary agreement for sale of shares in AltaLog Sp. z o.o. ("AltaLog"). Under the agreement Midas made an advance payment amounting to PLN 266,000 for the acquisition of the shares. The advance payment was presented under "Other financial assets (non-current)". More details on the acquisition of the shares in AltaLog may be found under Note 30.

17.2. Non-current financial assets

During the 6-month period ended 30 June 2015, other non-current non-financial assets of the Group decreased by PLN 13,237,000 in comparison to the balance as at 31 December 2014. That change results mainly from settlement of advances designated for purchases of fixed assets.

18. Provisions

During the 6-month period ended 30 June 2015, the Group updated the value of the non-current provisions for the cost of anticipated dismantling of base stations forming part of the telecommunications infrastructure. The balance of the provision rose by PLN 4,110,000 as against the provision disclosed as at 31 December 2014 following a further development of the network (larger number of base stations and installed electronics).

19. Interest-bearing bank loans

Drawing on subsequent tranches of the credit granted by Bank Pekao

During the 6-month period ended 30 June 2015, the Group drew down other tranches of the investment credit (agreement with Bank Pekao of 10 July 2014) in the total amount of PLN 73.8 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.

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

During the 6-month period ended 30 June 2015, the Group drew down other tranches of the investment credit (agreement with Alior Bank of 28 February 2013) in the amount of PLN 5 million. The funds from the credit were sent directly to the bank account of Aero2, in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. In the statement of financial position, the value shown of liabilities from the loan is based on the effective interest rate, taking account of expenses incurred in connection with obtaining the financing.

Repayment of the investment credit granted by Alior Bank

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

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

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

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

1. Increasing the credit amount from PLN 200 million to PLN 350 million,

2. Extending the use of the credit by refinancing the existing credit from Alior Bank in the amount of PLN 150 million,

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

4. Credit repayment: in equal monthly instalments from the end of January 2016,

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

6. The Annex does not provide for any amendments to other terms and conditions of the Credit Agreement, including to the method how to calculate interest, contractual penalties, conditions or periods. Raising the credit amount will require increases to collaterals (signing respective collateral agreements and their registration) related to the increased credit amount within 45 days of the date of the annex to the Credit Agreement.

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

During the 6-month period ended on 30 June 2015, the Group repaid the principal amount of the loan granted by Plus Bank S.A. in the amount of PLN 2.5 million.

20. Deferred income

As at 30 June 2015, the Group recognised deferred income of PLN 196,043,000 (PLN 184,298,000 as at 31 December 2014). This amount consists of non-current deferred income of PLN 20,000,000 and the current portion of deferred income of PLN 176,043,000 (as at 31 December 2014 respectively: PLN 33,325,000 and PLN 150,973,000).

In the 6-month period ended 30 June 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. and Cyfrowy Polsat S.A. 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 usage of the data transmission packets ordered, the statement of comprehensive income, under revenues from sales, shows a result proportional to the number of gigabytes (GB) actually used within a given order. As at 30 June 2015, the value of paid instalments remaining to be settled, resulting from the orders placed under the agreement with Polkomtel amounted to PLN 172,673,000.

The remaining amount of deferred income comprises EU grants of PLN 22,671,000 and settlements of sales of telecommunications services (prepaid) of PLN 699,000.

21. Other financial liabilities

During the 6-month period ended 30 June 2015, there was an increase in the value of liabilities from 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.

The data presented below provide information on the level of selected financial ratios as at 30 June 2015 (calculated in accordance with the conditions of the bond issue):

consolidated financial debt: PLN 633,161,000, consolidated equity: PLN 350,108,000, leverage ratio: 0.644 (determined as "consolidated financial debt / (consolidated financial debt + consolidated equity").

consolidated financial debt (less the value of the embedded derivative): PLN 585,282,000, leverage ratio (not including the embedded derivative): 0.626 (determined as "(consolidated financial debt - value of early redemption option) / (consolidated financial debt - value of early redemption option + consolidated equity)".

Following the modification to the Bonds Issue Terms made on 20 July 2015 by the Meeting of Bondholders aimed at excluding the leverage ratio as one of the covenants under the bonds, in subsequent financial statements the above ratios will not be presented.

22. Goals and principles of financial risk management

During the 6-month period ended 30 June 2015, the Group did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk in relation to those described in the annual consolidated financial statements for 2014.

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

As at 30 June 2015, the Group had cash resources in the amount of PLN 33,245,000, available credit line at Bank PEKAO S.A. in the amount of PLN 102,797,000. In the period of the next 12 months in connection with the agreement entered into on 3 March 2015 by and between Mobyland and Polkomtel Sp. z o.o. the Management Board expects significant cash flows related to the provision of telecommunications services. Moreover, only some of the sources of financing drawn down by the Group become payable in the next 12 months. As a result of the analysis conducted, the Management Board ascertained that the available cash and sources of financing cover, with a surplus, the cash requirements resulting from the operating, investing and financing activities of the Group in the foreseeable future, i.e. for a period of at least 12 months following the balance sheet date.

23. Capital management

During the 6-month period ended 30 June 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.

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

24. Contingent liabilities and contingent assets

In the 6-month period ended 30 June 2015, there were changes in contingent liabilities compared with the data disclosed in Note 30 to the 2014 annual consolidated financial statements. Presented below is up-to-date information concerning liabilities from bank guarantees granted as security for the performance of trade agreements:

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

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

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

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

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

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

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

In the matter concerning a repeal of the decision of the President of the OEC of 13 June 2011 No. DZC-WAP-5174-9/07(321) and of 23 August 2011 No. DZC-WAP-5174-9/07(352) invalidating - in the scope concerning the evaluation of T-Mobile's bid - the tender concerning two reservations of frequencies in the 1710-1730 MHz and 1805-1825 MHz ranges, issued in the tender concerning reservation of the frequencies granted to CenterNet and Mobyland (Current Report No. 33/2012), on 8 May 2014, the SAC issued a judgement concerning the tender for two frequency reservations, in the 1710-1730 MHz range and the 1805-1825 MHz range (the "Tender"), under which the SAC upheld the PACW's judgement of 6 July 2012. The judgement of the SAC was issued as a result of dismissal of the cassation appeals submitted by the President of the OEC and subsidiaries of the Issuer: CenterNet and Mobyland. The SAC stated that the dispute in the matter centred on assessing recommendations for further action for the President of the OEC, following from the judgement of the PACW of 21 July 2009, repealing both decisions of the President of the OEC refusing to declare the invalidity of the tender concerning frequency reservations and from the judgement of the SAC of 3 February 2011 approving the judgement of the PACW. The SAC found that the above judgements of the PACW and SAC indicated that the President of the OEC should have invalidated the Tender in its entirety. In its judgement of 21 July 2009, the PACW found that a serious breach of the applicable laws occurred during the tender proceedings, as a result of which a party to the proceedings was deprived of the right to participate in stage two of the Tender, i.e. the criterion for flagrant infringement of the applicable laws referred to in Article 118d of the Telecommunications Law (the "TL") was fulfilled, which would justify invalidating the tender. On the other hand, the SAC, in its judgement of 3 February 2011, found that the PACW judgement indicated that the President of the OEC should have issued the opposite decision to the existing decision. In its judgement of 8 May 2014, the SAC found, taking into account the scope of the proceedings conducted by the President of the OEC and the motions to invalidate the Tender, that the opposite decision would be to invalidate the Tender in its entirety. The SAC also noted that the President of the OEC, having concerns regarding the recommendations contained in the above judgements of the PACW and the SAC, could have requested an interpretation, pursuant to Article 158 of the Act on Proceedings Before Administrative Courts, which he failed to do. Referring to Article 118d par. 1 of the TL, in the wording applicable to the matter at hand, the SAC also found that the provision was worded unambiguously and could not have led to the conclusion that the Tender could be partially invalidated. In the assessment of the SAC, this provision does not permit such a possibility. But even if it were possible, partial invalidation could not take place with reference to one of the entities taking part in the Tender (as was the case in 2011). Any partial invalidation of the Tender might at best refer to the subject, not the participants. Lastly, the SAC noted that in the court and administrative proceedings, there can be no acceptance for arguments of equability 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 (currently Aero2) and Mobyland's ability to continue their existing operations. This means that these companies can still make full use of the frequencies granted to them, and can therefore still carry out the objectives adopted in the operations of the Midas Capital Group. Furthermore, the Management Board maintains its position expressed in Current Report No. 8/2014 that it is presently impossible to predict the direction or scope of further action in the matter that may be undertaken by the President of the OEC and other participants of the proceedings. The Management Board of the Issuer also notes that on 29 May 2014, the SAC upheld the judgement of the PACW of 19 November 2012, as noted hereinabove. The 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 above judgement of the SAC of 29 May 2014 is final and means that the frequency reservations had become final. The decisions may only be repealed upon reopening the proceedings. At this point, the Issuer's Management Board does not see any legal grounds on which this scenario could be fulfilled.

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

In view of the above circumstances, the Management Board is not able to predict the final outcome, but currently feels that none of the above proceedings should have an adverse effect on the financial position or results of the Midas Group. The carrying amount of the above concessions granted to CenterNet (currently Aero2) and Mobyland, disclosed in the consolidated statement of financial position, as at 30 June 2015 was PLN 174,249,000.

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

25. Trade and other payables

During the 6-month period ended 30 June 2015, liabilities of the Group increased by PLN 12,974,000 in comparison to the balance as at 31 December 2014. The change results primarily from the increase of the Group's liabilities towards Polkomtel from the provision of telecommunications infrastructure services.

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

26.1. Change in the balance of receivables

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Change in the balance of trade and other receivables	6,480	11,227
Change in the balance of receivables on disposal of property, plant and equipment	(35)	-
	6,445	**11,227**

26.2. Change in the balance of liabilities

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Change in the balance of current liabilities	12,974	(57,890)
Change in the balance of liabilities arising from the acquisition of property, plant and equipment and investments	5,741	(42,716)
	7,233	**(15,174)**

26.3. Change in the balance of provisions

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Change in the balance of provisions	4,110	9,570
Growth of provisions for dismantling reported for fixed assets	(3,854)	(9,329)
	256	**241**

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

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Change in the balance of prepayments/accruals and other non-financial assets	483	(373)
Change in the balance of non-current prepayments/accruals	1,962	79
Change in the balance of prepayments/accruals concerning costs of bond issues	26	8
	2,471	**(286)**

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

27. Investing liabilities

As at 30 June 2015, the Group had investment orders for the total amount of ca. PLN 62,875,000. Orders submitted refer to the acquisition of elements of the telecommunications infrastructure.

28. Transactions with related parties

The table below presents the total values of transactions with related parties entered into during the 3- and 6-month periods ended 30 June 2015 and 30 June 2014, respectively, and the balances of receivables and payables as at 30 June 2015 and 31 December 2014:

		Revenues from mutual transactions, of which:	**from sales**	**interest on borrowings**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**3-month period ended 30 June 2015** ***(unaudited)***	134,126	133,779	104	244
	6-month period ended 30 June 2015 ***(unaudited)***	257,048	256,346	219	483
	3-month period ended 30 June 2014 ***(unaudited)***	72,413	70,379	142	1,892
	6-month period ended 30 June 2014 ***(unaudited)***	139,272	136,767	279	2,226

		Costs of mutual transactions, of which:	**interest on borrowings**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**3-month period ended 30 June 2015** ***(unaudited)***	125,034	417	124,617
	6-month period ended 30 June 2015 ***(unaudited)***	224,669	879	223,820
	3-month period ended 30 June 2014 ***(unaudited)***	86,927	545	86,382
	6-month period ended 30 June 2014 ***(unaudited)***	179,575	1,081	178,494

		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	**30 June 2015** *(unaudited)*	157,911	142,403	15,392	116
	31 December 2014	151,151	133,530	15,174	2,447

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

significant influence over Midas S.A.					

		Payables to related parties, of which:	trade	borrowings	other
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	**30 June 2015** *(unaudited)*	302,497	88,723	41,101	172 673*
	31 December 2014	279,517	76,377	43,601	159 539*

**Amounts recognised as deferred income*

29. Remuneration of the senior management staff of the Group

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

The table below shows the value of remuneration (together with 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 30 June 2015 *(unaudited)*	6-month period ended 30 June 2015 *(unaudited)*	3-month period ended 30 June 2014 *(unaudited)*	6-month period ended 30 June 2014 *(unaudited)*
Management Board				
Current employee benefits or similar (wages and salaries and bonuses)	142	303	717	842
Supervisory Board				
Current employee benefits or similar (wages and salaries and bonuses)	16	46	48	64
Total	**158**	**349**	**765**	**906**

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

The table below shows the value of remuneration (together with 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 30 June 2015 *(unaudited)*	6-month period ended 30 June 2015 *(unaudited)*	3-month period ended 30 June 2014 *(unaudited)*	6-month period ended 30 June 2014 *(unaudited)*
Management Board of the parent				
Current employee benefits (wages and salaries and bonuses)	95	205	75	167
Supervisory Board of the parent				
Current employee benefits (wages and salaries and bonuses)	3	6	3	6
Total	**98**	**211**	**78**	**173**

30. Events occurring after the balance sheet date

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

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

On 7 August 2015 Midas and subsidiaries Aero2 and Mobyland received copies of the annexes to the collateral agreements for the credit granted by Bank Pekao signed on 6 August 2015 by Bank Pekao and the a/m companies. Changes to the collaterals result from the annex to the credit agreement with Bank Pekao (as described in Note 19) entered into on 26 June 2015 by and between Midas and its subsidiaries Aero2 and Mobyland. The annexed collateral agreements were modified to the extent of maximum collateral amounts resulting from the increased balance of the investment credit made available by Bank Pekao. Amendments to registered pledges on Aero2 and Mobyland shares include increasing the maximum collateral amount to PLN 525 million. Amendments to Registered Pledge Agreements on groups of movables and rights constituting an organised business whole with variable include raising the total collateral value under registered pledges established on the a/m groups of Mobyland and Midas up to PLN 525 million, and Aero2 to PLN 622 million. In addition, the Company, Aero2 and Mobyland submitted declarations of voluntary submission to enforcement under the procedure of Article 777 par. 1 pt. 5 of the Code of Civil Procedure up to PLN 525 million. Other modifications to the collateral agreements are technical ones and result from the combination of Aero2 and CenterNet, recorded in the Register of Entrepreneurs on 31 December 2014 and from changes of registered offices of the Company and of subsidiaries Aero2 and Mobyland. On 7 August 2015 in the District Court for the City of Warsaw in Warsaw, 11th Commercial Division – Register of Pledges motions to make appropriate changes to entries in the register of pledges were filed in performance of the provisions of the annex to the Credit Agreement as to changes to collaterals required after increasing the credit amount.

On 21 August 2015 (subsequent event) the Management Board of Midas received a decision of the District Court for the City of Warsaw in Warsaw, 11th Commercial Division – Register of Pledges of 11 August 2015 on a change in the registered pledge established for Bank Pekao, constituting a collateral for the investment credit, referred to in Note 19, on 204,200 shares of Mobyland, representing 100 per cent of the shares in the share capital of Mobyland, disclosed in the Company's books of account at a book value of PLN 178.8 million, including raising the maximum collateral up to PLN 525 million. Furthermore, the Company received the Court's decision to enter in the pledge register, on 12 August 2015, the pledge, established in favour of Bank Pekao, on a group of moveable goods and rights constituting part of the business of Mobyland, disclosed in the Company's books of account at a book value of PLN 102.1 million, and constituting collateral on a liability stemming from the above loan for up to PLN 525 million. Raising the a/m total collaterals results from the provisions of the annex to the collateral agreements to the credit agreement with Bank Pekao.

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, 25 August 2015

of MIDAS Spółka Akcyjna

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2015
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

CONTENTS

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2015

	Note	3-month period ended 30 June 2015 *(unaudited)*	6-month period ended 30 June 2015 *(unaudited)*	3-month period ended 30 June 2014 *(unaudited)*	6-month period ended 30 June 2014 *(unaudited)*
Continuing operations					
Revenues from core operating activities	7.1	15,723	30,671	12,850	23,912
Own costs from core operating activities	7.2	(15,764)	(25,483)	(8,481)	(17,138)
Depreciation and amortisation		(4)	(9)	(7)	(15)
Wages and salaries		(199)	(445)	(909)	(1,215)
Other costs by type		(525)	(907)	(957)	(1,757)
Other operating income		1	4	2	7
Other operating expenses		(3)	(3)	-	-
Profit/ (loss) on operating activities		**(771)**	**3,828**	**2,498**	**3,794**
Finance income	7.3	5	10	145	384
Financial costs		(1)	(1)	-	-
Profit on financial activities		**4**	**9**	**145**	**384**
loss before taxation		**(767)**	**3,837**	**2,643**	**4,178**
Current income tax		-	-	-	-
Deferred tax	8	(730)	(730)	-	-
Total income tax		**(730)**	**(730)**	**-**	**-**
Profit/ (loss) for the period on continuing operations		**(1,497)**	**3,107**	**2,643**	**4,178**
Net profit/ (loss) from discontinued operations		**-**	**-**	**-**	**-**
Net profit/ (loss) for the period		**(1,497)**	**3,107**	**2,643**	**4,178**
Other comprehensive income		**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(1,497)**	**3,107**	**2,643**	**4,178**
Average weighted number of ordinary shares		1,479,666,750	1,479,666,750	1,479,666,750	1,479,666,750
Net profit (loss) from continued operations per share attributable to shareholders of the parent (in PLN)		(0.0010)	0,0021	0,0018	0,0028

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

Piotr Janik

Teresa Rogala
/Vice-President of the Management Board/

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

ASSETS	Note	30 June 2015 *(unaudited)*	31 December 2014
Non-current assets			
Property, plant and equipment	9	45	55
Non-current financial assets	10	1,309,223	1,436,976
Total non-current assets		**1,309,268**	**1,437,031**
Current assets			
Trade and other receivables	12	1,656	4,628
Loans granted	13	262,699	251,302
Other assets	10	824	637
Other prepayments		141	7
Cash and cash equivalents	11	2,065	3,350
Total current assets		**267,385**	**259,924**
Total assets		**1,576,653**	**1,696,955**

EQUITY AND LIABILITIES	Note	30 June 2015 *(unaudited)*	31 December 2014
Equity			
attributable to shareholders of the Company, of which:			
Share capital		147,967	147,967
Supplementary capital		1,140,860	1,140,860
Uncovered losses		(61,617)	(64,724)
Accumulated losses		(64,724)	(77,105)
Net profit for the current period		3,107	12,381
Total equity		**1,227,210**	**1,224,103**
Non-current liabilities			
Interest-bearing loans and borrowings	15	-	137,499
Liabilities from issue of bonds	15	345,959	328,054
Deferred tax liability	8	2,737	2,007
Total non-current liabilities		**348,696**	**467,560**
Current liabilities			
Trade and other payables	16	527	827
Interest-bearing loans and borrowings	15	-	4,298
Accruals		220	167
Total current liabilities		**747**	**5,292**
Total equity and liabilities		**1,576,653**	**1,696,955**

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/President of the Management Board/
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(in PLN '000, except for items otherwise indicated)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2015

	Note	6-month period ended 30 June 2015 *(unaudited)*	6-month period ended 30 June 2014 *(unaudited)*
Gross profit		**3,837**	**4,178**
Depreciation and amortisation of fixed and intangible assets		9	15
Interest and commission expenses		24,938	17,076
Profit/ (loss) on investing activities		3	(4)
Change in the balance of assets and liabilities related to operating activities:			
– Trade and other receivables		2,938	-
– Trade and other payables		(24)	58
– Accruals		(55)	(26)
Interest income		(29,171)	(23,043)
Revaluation of embedded derivative		794	(867)
Other adjustments		44	59
Adjustments of total gross profit		**3,313**	**(2,554)**
Other cash flows from operating activities			
Loans granted		-	(40,000)
Other cash flows from operating activities		**-**	**(40,000)**
Net cash flow from operating activities		**3,313**	**(42,554)**
Purchase of property, plant and equipment and intangible assets		(3)	(41)
Proceeds from sales of property, plant and equipment and intangible assets		35	58
Purchase of other financial assets (advance for the shares)	10	(266)	-
Net cash flow from investing activities		**(234)**	**17**
Expenses related to issuing bonds		(52)	(52)
Commission and interest paid in connection with bank credit		(4,312)	(2,780)
Net cash flow from financing activities		**(4,364)**	**(2,832)**
Net (decrease) increase in cash and cash equivalents		**(1,285)**	**(45,369)**
Cash and cash equivalents at the beginning of the period		**3,350**	**65,543**
Cash and cash equivalents at the end of the period	11	**2,065**	**20,174**

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/President of the Management Board/
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2015

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

	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		-	-	*3,107*	*3,107*
Comprehensive income for the period		-	-	3,107	3,107
As at 30 June 2015 ***(unaudited)***		**147,967**	**1,140,860**	**(61,617)**	**1,227,210**

	Note	Share capital	Supplementary capital	Uncovered losses	Total equity
As at 1 January 2014		**147,967**	**1,140,860**	**(76,807)**	**1,212,020**
Settlement of the business combination		-	-	(298)	(298)
Net loss for the period		-	-	*4,178*	*4,178*
Comprehensive income for the period		-	-	4,178	4,178
As at 30 June 2014 ***(unaudited)***		**147,967**	**1,140,860**	**(72,927)**	**1,215,900**

Krzysztof Adaszewski /President of the Management Board/

Piotr Janik /Vice-President of the Management Board/

Teresa Rogala /on behalf of SFERIA Spółka Akcyjna/

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed financial statements of the Company cover the 6-month period ended 30 June 2015 and contain comparative data for the 6-month period ending on 30 June 2014 and as at31 December 2014.

The interim condensed statement of comprehensive income includes data for the 6-month period ended 30 June 2015, the 3-month period ended 30 June 2015, and comparative data for the 6-month period ended 30 June 2014 and the 3-month period ended 30 June 2014. The data for the 3-month period ended 30 June 2015 and the comparative data for the 3-month period ended 30 June 2014 were not subject to a review or an audit by an independent auditor. Moreover, 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 25 August 2015, these interim condensed financial statements of Midas S.A. for the 6-month period ended 30 June 2015, were authorised by Midas S.A. (the “Management Board”) for issue.

Midas S.A. also prepared interim condensed consolidated financial statements for the 6-month period ended 30 June 2015, which were authorised by the Management Board for issue on 25 August 2015.

1. General information

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

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

The Company is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, 12th Commercial Department of the National Court Register, under KRS 0000025704. The Company was granted statistical identification number REGON 010974600.

The Company is established in perpetuity.

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

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

2. Basis for preparing the interim condensed financial statements

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

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

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

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

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

3. Summary of significant accounting policies

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

- *Changes resulting from the review of IFRS 2011-2013* including:
    - Amendments to IFRS 3 *Business combinations*
      After the changes, not only joint ventures, but also joint contractual arrangements are out of the scope of IFRS 3. The exception applies only to the preparation of the financial statements. The change is applied prospectively.

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

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

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

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

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

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

4. Significant values based on professional judgement and estimates

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

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

5. Business segments

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

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

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

6. Seasonality of activities

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

7. Revenues and costs

7.1. Revenues from core operating activities

	3-month period ended 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Income from interest on borrowings granted to subsidiaries	14,507	29,171	11,982	23,043
Other revenues from subsidiaries	1,216	1,500	-	1
Revaluation of embedded derivative	-	-	868	868
Total	**15,723**	**30,671**	**12,850**	**23,912**

During the 6-month period ended 30 June 2015, revenues from core operating activities increased by PLN 6,759,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, revenues from core operating activities increased by PLN 2,873,000 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. Other revenues from subsidiaries include non-interest costs of the credit granted by Alior Bank incurred by Aero 2 Sp. z o.o. ("Aero2").

7.2. Own costs from core operating activities

	3-month period ended 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Interest on bonds	9,112	17,888	6,831	14,203
Interest on bank loans received	3,892	5,590	1,370	2,417
Commission on bank loans received	759	1,167	251	457
Revaluation of embedded derivative	1,978	794	-	-
Other costs	23	44	29	61
Total	**15,764**	**25,483**	**8,481**	**17,138**

During the 6-month period ended 30 June 2015, costs of core operating activities increased by PLN 8,345,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, costs of core operating activities increased by PLN 7,283,000 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 credit obtained from Alior Bank ("Alior Bank") and from updating the value of the embedded derivative.

7.3. Finance income

During the 6-month period ended 30 June 2015, finance revenues decreased by PLN 374,000 in comparison to the corresponding period of the previous year. During the 3-month period ended 30 June 2015, finance revenues decreased by PLN 140,000 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.

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

8. Income tax

As at 30 June 2015, the Company updated the value of the deferred income tax provision referring to the Company's interest income. As at 30 June 2015 the recognised value of the provision was PLN 2,737,000 (PLN 2,007,000 as at 31 December 2014).

9. Property, plant and equipment

9.1. Purchases and disposals

During the 6-month period ended 30 June 2015, the Company did not make investments into property, plant and equipment (during the 6-month period ended 30 June 2014 - PLN 41,000). During the 6-month period ended 30 June 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 52,000).

9.2. Impairment write-downs

During the 6-month period ended 30 June 2015, the Company did not recognise any significant impairment of property, plant and equipment (as was the case in the corresponding period of the previous year).

10. Other non-current and current assets

During the 6-month period ended 30 June 2015, there was a change in the value of other (non-current) financial assets in comparison to the balance as at 31 December 2014.

Other non-current financial assets comprise the following items:

	30 June 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)**	288,901	416,126
Embedded derivatives - option of early redemption of bonds	53,853	54,647
Advance payment for the acquisition of the shares	266	-
Total	**1,309,223**	**1,436,976**

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

Shares

In the 6-month period ended 30 June 2015, the Management Board of the Company did not make any changes to the Group's long-term financial plans. The Group carries out financial plans as intended so the Management Board does not see any indications for the impairment of shares and holdings in subsidiaries. The most recent impairment test was described in the financial statements for the year ended 31 December 2014 (Note 17).

Embedded derivative

As at 30 June 2015, the Company revalued the embedded derivative. The change in the value of the embedded derivative results from changes in market parameters, including changes in the profitability of bonds with similar maturities. The value of the option will be decreasing in time, i.e. the less time remaining to the repurchase date the lower the value of the option. The value of the early repurchase option is expected to further decrease in value.

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

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

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

The value of the early repurchase option as at different reporting dates was presented under Note 10. Change in the value is reflected in financial expenses (Note 7.2).

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

Advance for the purchase of the shares in AltaLog Sp. z o.o.

On 16 June 2015 the Company entered with NASK 4Innovation Sp. z o.o. into the preliminary agreement for sale of shares in AltaLog Sp. z o.o. ("AltaLog"). Under the agreement Midas made an advance payment amounting to PLN 266,000 for the acquisition of the shares. The advance payment was presented under "Financial assets (non-current)". More details on the acquisition of the shares in AltaLog may be found under Note 23.

Other current assets

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

11. Cash and cash equivalents

For the purpose of the interim condensed consolidated statements of cash flows, cash and cash equivalents comprise the following:

	30 June 2015 *(unaudited)*	**31 December 2014**	**30 June 2014** *(unaudited)*
Cash at bank and on hand	16	2,702	18
Short-term bank deposits	2,049	648	20,141
Interest accrued on bank deposits	-	-	15
Cash and cash equivalents	**2,065**	**3,350**	**20,174**

12. Trade and other receivables

During the 6-month period ended 30 June 2015, there was a change in the value of trade receivables in comparison to the balance as at 31 December 2014. Receivables comprise the following items:

	30 June 2015 *(unaudited)*	**31 December 2014**
Receivables from the sale of fixed assets	-	35
Receivables from related parties	1,645	4,593
Other receivables	11	-
Total	**1,656**	**4,628**

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

13. Loans granted

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

Company	**Amount of borrowing**	**Date borrowing repaid**	**Interest rate and other conditions of the borrowing**
Mobyland	122,000	to 16 April 2021 (in accordance with bond repayment date)	margin plus cost of servicing the debt from zero coupon bonds issued by MIDAS S.A. on 16 April 2013
Mobyland	35,000	31.12.2015	WIBOR 1M plus margin, interest accrued in arrears – WIBOR 1M from the second business day preceding the commencement of the

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

			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.

Loans granted during the reporting period

During the 6-month period ended 30 June 2015 the Company granted a long-term loan to Aero2 in the amount of PLN 5,000,000 (the amount of PLN 5,000,000 was obtained from the credit granted by Alior Bank and was transferred directly to Aero2's account).

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

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

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

Repayments of loans in the reporting period

On 30 June 2015 Aero2 made an early repayment of the principal under the loan granted by the Company in the amount of PLN 150 million (loan granted from the funds originating from the loan granted by Alior Bank under the loan agreement of 13 September 2013). In accordance with the agreement between Aero2 and Midas any outstanding balance of interest amounting to PLN 10,703,000 will be repaid no later than by 30 September 2015. At the same time Midas repaid the credit at Alior Bank from funds originating from the loan granted by Bank Polska Kasa Opieki S.A. ("Bank Pekao") as described under Note 15 (PLN 150 million). The above operations were settled without any cash flows between the Group entities (funds were transferred between banks). After the foregoing transactions the nominal value of Aero2 loan from Midas was converted into Aero2 loan at Bank Pekao. Repayment of the loan results from the Group refinancing the investment credit at Alior Bank as described under Note 15.

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

	30 June 2015 *(unaudited)*	**31 December 2014**
Loans granted (together with interest computed)	551,600	667,428
Total	**551,600**	**667,428**
Loans granted - current	262,699	251,302
Loans granted - non-current (presented in the statement of financial position under financial assets (non-current))	288,901	416,126

14. Provisions

During the 6-month period ended 30 June 2015, there were no movements in the level of provisions created.

15. Interest-bearing bank loans and bonds

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

During the 6-month period ended 30 June 2015, the Company drew down other tranches of the investment credit (agreement with Alior Bank of 28 February 2013) in the amount of PLN 5 million. The funds from the credit were sent directly to the bank account of the Company's subsidiary Aero2, in accordance with the loan agreement concluded between Midas and Aero2 on 13 September 2013. In the statement of financial position, the value shown of liabilities from the loan was based on the effective interest rate, taking account of expenses incurred in connection with obtaining the financing. The entire balance of the credit was repaid before its original maturity.

Repayment of the investment credit granted by Alior Bank

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

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

On 26 June the Company together with subsidiaries Aero 2 and Mobyland entered with Bank Pekao into the annex to the agreement for financing the development of the LTE and HSPA+ telecommunications network of 10 July 2014 (the "Credit Agreement").

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

1. Increasing the credit amount from PLN 200 million to PLN 350 million,

2. Extending the use of the credit by refinancing the existing credit from Alior Bank in the amount of PLN 150 million,

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

4. Credit repayment: in equal monthly instalments from the end of January 2016,

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

6. The Annex does not provide for any amendments to other terms and conditions of the Credit Agreement, including to the method how to calculate interest, contractual penalties, conditions or periods. Raising the credit amount will require increases to collaterals (signing respective collateral agreements and their registration) related to the increased credit amount within 45 days of the date of the annex to the Credit Agreement.

Bonds

During the 6-month period ended 30 June 2015, there was an increase in the value of liabilities from 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.

16. Trade and other payables

During the 6-month period ended 30 June 2015, liabilities of the Company decreased by PLN 300,000 in comparison to the balance as at 31 December 2014. The change results mainly from repayment of public charges and liabilities towards Midas' subsidiaries.

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

17. Goals and principles of financial risk management

During the 6-month period ended 30 June 2015, the Company did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk in relation to those described in the annual non-consolidated financial statements for 2014.

18. Capital management

During the 6-month period ended 30 June 2015, the Company did not change its goals, principles or procedures for capital management compared to those disclosed in the 2014 annual non-consolidated financial statements.

19. Contingent liabilities and contingent assets

In the 6-month period ended 30 June 2015, there were no changes in contingent liabilities or contingent assets compared with the data disclosed in the 2014 annual non-consolidated financial statements.

In the current reporting period, there were no proceedings pending in relation to Midas. Proceedings pending indirectly against Midas subsidiaries for the 1800 Mhz frequency were described under Note 24 to the condensed consolidated financial statements for the 3-month and 6-month periods ended 30 June 2015. Midas Group entities participate in those proceedings as interested parties, as these proceedings are largely directed against the administrative decisions issued by the President of the OEC. However, indirectly, handing down a binding resolution in each of these proceedings may result in the President of the OEC ruling to sustain, change or repeal previous resolutions that directly concern frequency reservations issued to CenterNet and Mobyland in 2007.

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

20. Investing liabilities

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

21. Transactions with related parties

The tables below present the total values of transactions with related parties entered into during the 3- and 6-month periods ended 30 June 2015 and 30 June 2014, respectively, and the balances of receivables and payables as at 30 June 2015 and 31 December 2014:

		Revenues from mutual transactions, of which:	**interest on borrowings**	**other revenues on operating activities**	**other**
Subsidiaries	**3-month period ended 30 June 2015 *(unaudited)***	15,723	14,507	1,216	-
	6-month period ended 30 June 2015 *(unaudited)*	30,671	29,171	1,500	-
	3-month period	11,984	11,982	-	2

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

	ended 30 June 2014 ***(unaudited)***				
	6-month period ended 30 June 2014 ***(unaudited)***	23,101	23,043	-	58
Entities controlled by a person (or members of their family) who controls, jointly controls or has significant influence over Midas S.A.	**3-month period ended 30 June 2015** ***(unaudited)***	-	-	-	-
	6-month period ended 30 June 2015 ***(unaudited)***	-	-	-	-
	3-month period ended 30 June 2014 ***(unaudited)***	-	-	-	-
	6-month period ended 30 June 2014 ***(unaudited)***	38	-	-	38

		Costs of mutual transactions, of which:	**other**
Subsidiaries	**3-month period ended 30 June 2015** ***(unaudited)***	52	52
	6-month period ended 30 June 2015 ***(unaudited)***	85	85
	3-month period ended 30 June 2014 ***(unaudited)***	35	35
	6-month period ended 30 June 2014 ***(unaudited)***	70	70
Entities controlled by a person (or members of their family)	**3-month period ended 30 June 2015**	102	102

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

who controls, jointly controls or has significant influence over Midas S.A.	***(unaudited)***		
	6-month period ended 30 June 2015 ***(unaudited)***	182	182
	3-month period ended 30 June 2014 ***(unaudited)***	639	639
	6-month period ended 30 June 2014 ***(unaudited)***	1,275	1,275

		Receivables from related parties, of which:	**trade**	**borrowings**
Subsidiaries	**30 June 2015** *(unaudited)*	553,245	1,645	551,600
	31 December 2014	672,021	4,593	667,428

		Payables to related parties, of which:	**trade**
Subsidiaries	**30 June 2015** *(unaudited)*	40	40
	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.	**30 June 2015** *(unaudited)*	402	402
	31 December 2014	217	217

22. Remuneration of the Company's management staff

	3-month period ended 30 June 2015 *(unaudited)*	**6-month period ended 30 June 2015** *(unaudited)*	**3-month period ended 30 June 2014** *(unaudited)*	**6-month period ended 30 June 2014** *(unaudited)*
Management Board				
Current employee benefits or similar (wages and salaries and bonuses)	142	303	717	842
Supervisory Board				
Current employee benefits or similar (wages and salaries and bonuses)	16	46	48	64
Total	**158**	**349**	**765**	**906**

23. Events occurring after the balance sheet date

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

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

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

On 7 August 2015 Midas and subsidiaries Aero2 and Mobyland received copies of the annexes to the collateral agreements signed on 6 August 2015 by Bank Pekao and the a/m companies. Changes to the collaterals result from the annex to the Credit Agreement with Bank Pekao (as described in Note 15) entered into on 26 June 2015 by and between Midas and its subsidiaries Aero2 and Mobyland. The annexed collateral agreements were modified to the extent of maximum collateral amounts resulting from the increased balance of the investment credit made available by Bank Pekao. Amendments to registered pledges on Aero2 and Mobyland shares include increasing the maximum collateral amount to PLN 525 million. Amendments to Registered Pledge Agreements on groups of movables and rights constituting an organised business whole with variable include raising the total collateral value under registered pledges established on the a/m groups of Mobyland and Midas up to PLN 525 million, and Aero2 to PLN 622 million. In addition, the Company, Aero2 and Mobyland submitted declarations of voluntary submission to enforcement under the procedure of Article 777 par. 1 pt. 5 of the Code of Civil Procedure up to PLN 525 million. Other modifications to the collateral agreements are technical ones and result from the combination of Aero2 and Centernet S.A., recorded in the Register of Entrepreneurs on 31 December 2014 and from changes of registered offices of the Company and of subsidiaries Aero2 and Mobyland. At the same time, on 7 August 2015 in the District Court for the City of Warsaw in Warsaw, 11th Commercial Division – Register of Pledges motions to make appropriate changes to entries in the register of pledges were filed in performance of the provisions of the annex to the Credit Agreement as to changes to collaterals required after increasing the credit amount.

On 21 August 2015 (subsequent event) the Management Board of Midas received a decision of the District Court for the City of Warsaw in Warsaw, 11th Commercial Division – Register of Pledges of 11 August 2015 on a change in the registered pledge established for Bank Pekao, constituting a collateral for the investment credit, referred to in Note 15, on 204,200 shares of Mobyland, representing 100 per cent of the shares in the share capital of Mobyland, disclosed in the Company's books of account at a book value of PLN 178.8 million, including raising the maximum collateral up to PLN 525 million. Furthermore, the Company received the Court's decision to enter in the pledge register, on 12 August 2015, the pledge, established in favour of Bank Pekao, on a group of moveable goods and rights constituting part of the business of Mobyland, disclosed in the Company's books of account at a book value of PLN 102.1 million, and constituting collateral on a liability stemming from the above loan for up to PLN 525 million. Raising the a/m total collaterals results from the provisions of the annex to the collateral agreements to the credit agreement with Bank Pekao.

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, 25 August 2015