



# **Narodowy Fundusz Inwestycyjny MIDAS Spółka Akcyjna Capital Group**

**Consolidated quarterly report for the 3 month-period ended on 31  
March 2012**

**Q1/2012**

including:

- Selected financial data
- Interim condensed consolidated financial statements for the 3-month period ended on 31 March 2012 together with additional information prepared in accordance with IAS/IFRS
- Interim condensed standalone financial statements for the 3-month period ended on 31 March 2012 prepared in accordance with IAS/IFRS
- Other information for the quarterly report

**Place and date of publication: Warsaw, 15 May 2012**

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## SELECTED FINANCIAL DATA OF THE MIDAS CAPITAL GROUP

	3-month period ended 31 March 2012	3-month period ended 31 March 2011	3-month period ended 31 March 2012	3-month period ended 31 March 2011
	in PLN '000	in PLN '000	in EUR '000	in EUR '000
Revenues from sales	18,261	6,082	4,374	1,530
Loss on operating activities	(26,197)	(1,478)	(6,275)	(372)
Loss before taxation	(28,761)	(3,670)	(6,889)	(923)
Net loss on continued activities attributable to equity holders of the Issuer	(28,750)	(3,670)	(6,886)	(923)
Net cash flow from operating activities	(2,657)	(6,384)	(636)	(1,606)
Net cash flow from investing activities	(8,810)	(9)	(2,110)	(2)
Net cash flow from financing activities	278,374	2,671	66,676	672
Average weighted number of shares (not in thousands)	452,025,062	59,181,670	452,025,062	59,181,670
Basic loss from continued activities per ordinary share (not in thousands)	(0.06)	(0.06)	(0.02)	(0.02)

	As at 31 March 2012 in PLN '000	As at 31 December 2011 in PLN '000	As at 31 March 2012 in EUR '000	As at 31 December 2011 in EUR '000
Total assets	1,404,636	1,130,280	337,523	255,905
Total liabilities	409,349	930,517	98,363	210,677
Non-current liabilities	74,993	79,543	18,020	18,009
Current liabilities	334,356	850,974	80,343	192,668
Equity attributable to equity holders of the Issuer	995,287	199,763	239,160	45,228
Share capital	29,593	29,593	7,111	6,700

## SELECTED FINANCIAL DATA OF THE FUND

	3-month period ended 31 March 2012 in PLN '000	3-month period ended 31 March 2011 in PLN '000	3-month period ended 31 March 2012 in EUR '000	3-month period ended 31 March 2011 in EUR '000
Revenues from sales	-	-	-	-
Loss on operating activities	(513)	773	(129)	195
Loss before taxation	(924)	(1,326)	(232)	(334)
Net loss on continued activities attributable to equity holders of the Issuer	(924)	(1,326)	(232)	(334)
Net cash flow from operating activities	139	746	35	188
Net cash flow from investing activities	(19,576)	-	(4,926)	-
Net cash flow from financing activities	300,495	379	75,611	95
Average weighted number of shares	452,025,062	59,181,670	452,025,062	59,181,670
Basic loss from continued activities per ordinary share (not in thousands)	(0.002)	(0.02)	(0.0005)	(0.005)

	As at 31 March 2012 in PLN '000	As at 31 December 2011 in PLN '000	As at 31 March 2012 in EUR '000	As at 31 December 2011 in EUR '000
Total assets	1,312,969	1,012,865	297,267	229,321
Total liabilities	108,389	631,646	24,540	143,010
Non-current liabilities	24,487	24,021	5,544	5,439
Current liabilities	83,902	607,625	18,996	137,571
Equity attributable to equity holders of the Issuer	1,204,580	381,219	272,727	86,311
Share capital	29,593	29,593	6,700	6,700
Unregistered share capital increase	118,374	-	26,801	-

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 31 March 2012: 4.1616 PLN/EUR, and on 31 December 2011: 4.4168 PLN/EUR. Selected items from the interim condensed consolidated and interim condensed standalone statement 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 3-month period ended 31 March 2012 and the 3-month period ended 31 March 2011 (respectively: 4.1750 PLN/EUR and 3.9742 PLN/EUR).

**Capital Group**  
**of Narodowy Fundusz Inwestycyjny MIDAS Spółka Akcyjna**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH PERIOD  
ENDED ON 31 MARCH 2012  
PREPARED IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARDS**

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**  
for the 3-month period ended on 31 March 2012

	Note	3-month period ended 31 March 2012 in PLN ‘000 <i>(unaudited)</i>	3-month period ended 31 March 2011 in PLN ‘000 <i>(unaudited)</i>
<b>Continued activities</b>			
Revenues from sales of goods and services		18,261	6,082
Depreciation and amortisation		(15,054)	(3,154)
Wages and salaries		(1,066)	(503)
Other costs by type		(29,904)	(5,000)
Other operating income		1,403	1,111
Other operating expenses		163	(15)
<b>Profit/ (loss) for the period on operating activities</b>		<b>(26,197)</b>	<b>(1,478)</b>
Financial income		1,177	512
Other finance costs		(3,741)	(2,704)
<b>Profit/ (loss) for the period on financial activities</b>		<b>(2,564)</b>	<b>(2,192)</b>
<b>Profit/ (loss) before tax</b>		<b>(28,761)</b>	<b>(3,670)</b>
<b>Profit/ (loss) for the period from continued activities</b>		<b>(28,761)</b>	<b>(3,670)</b>
<b>Profit/ (loss) for the period from discontinued activities</b>		<b>(28,761)</b>	<b>(3,670)</b>
<b>Net profit/ (loss) for the period</b>		<b>(28,761)</b>	<b>(3,670)</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>		<b>(28,761)</b>	<b>(3,670)</b>
Net profit/ (loss) for the period attributable to:			
Equity holders of the parent		(28,750)	(3,670)
Non-controlling interests		(11)	-
		<b>(28,761)</b>	<b>(3,670)</b>
Total comprehensive income/ (loss) for the period attributable to:			
Equity holders of the parent		(28,750)	(3,670)
Non-controlling interests		(11)	-
		<b>(28,761)</b>	<b>(3,670)</b>
<b>Loss per share:</b>			
basic, from loss for the period attributable to equity holders of the parent		(0.06)	(0.06)
basic, from loss from continued activities attributable to equity holders of the parent		(0.06)	(0.06)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION  
as at 31 March 2012**

	Note	31 March 2012 in PLN ‘000 <i>(unaudited)</i>	31 December 2011 in PLN ‘000 <i>(audited)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	292,836	295,502
Intangible assets	7	683,857	692,278
goodwill		321,649	321,649
value of frequency reservations		354,488	362,327
other intangible assets		7,720	8,302
Other financial assets (non-current)		40,104	39,564
Other non-financial assets		32,550	33,161
Deferred tax assets		-	-
<b>Total non-current assets</b>		<b>1,049,347</b>	<b>1,060,505</b>
<b>Current assets</b>			
Inventories		159	258
Trade and other receivables		49,297	29,716
Cash and cash equivalents	8	304,530	37,623
Other prepayments		1,303	2,178
<b>Total current assets</b>		<b>355,289</b>	<b>69,775</b>
<b>Total assets</b>		<b>1,404,636</b>	<b>1,130,280</b>



		31 March 2012 in PLN ‘000 <i>(unaudited)</i>	31 December 2011 in PLN ‘000 <i>(audited)</i>
<b>EQUITY AND LIABILITIES</b>	<b>Note</b>		
<b>Equity</b>			
<b>attributable to equity holders of the parent, including:</b>			
Share capital		29,593	29,593
Share premium		435,560	435,560
Treasury shares		(150)	(150)
Other reserve capital		824,285	-
Retained earnings/ Accumulated losses		(313,964)	(285,214)
Retained earnings/ (Accumulated losses)		(285,214)	(230,872)
Net profit/ (loss) for the current period		(28,750)	(54,342)
Non-controlling interests		19,963	19,974
<b>Total equity</b>		<b>995,287</b>	<b>199,763</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	10	40,123	44,185
Deferred income	11	34,870	35,358
<b>Total non-current liabilities</b>		<b>74,993</b>	<b>79,543</b>
<b>Current liabilities</b>			
Trade and other liabilities		43,344	588,110
Deferred income	11	123,970	100,181
Current portion of interest-bearing loans and borrowings and other financial liabilities	10.12	166,278	161,919
Provisions for other liabilities	9	764	764
<b>Total current liabilities</b>		<b>334,356</b>	<b>850,974</b>
<b>Total equity and liabilities</b>		<b>1,404,636</b>	<b>1,130,280</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3 month-period ended on 31 March 2012

	Note	3-month period ended 31 March 2012 in PLN '000 (unaudited)	3-month period ended 31 March 2011 in PLN '000 (unaudited)
<b>Net profit/ (loss) for the period</b>		<b>(28,761)</b>	<b>(3,670)</b>
Depreciation and amortisation		15,054	3,154
Interest expense		3,131	1,559
Change in assets and liabilities related to operating activities:			
- Trade and other receivables		(19,581)	(160)
- Inventories		99	-
- Trade and other liabilities		4,150	(631)
- Deferred income		23,301	
Other prepayments/accruals		(245)	-
- Provisions for other liabilities		-	(6,633)
Income/ (expenses) from interest and dividends on securities available-for-sale		195	-
Other		-	(3)
<b>Net cash flow from operating activities</b>		<b>(2,657)</b>	<b>(6,384)</b>
Purchase of property, plant and equipment and intangible assets		(8,810)	(13)
Proceeds from sale of property, plant and equipment and intangible assets		-	4
<b>Net cash flow from investing activities</b>		<b>(8,810)</b>	<b>(9)</b>
Expenses from bonds issuance		-	(1,559)
Proceeds from loans		-	4,250
Interest paid		(2,176)	-
Loan repayments (including interest expense)		(4,062)	-
Proceeds from issuance of debt securities		20,000	-
Payment of finance lease liabilities		(16,819)	-
Proceeds from shares issues		281,431	-
Other		-	(20)
<b>Net cash flow from financing activities</b>		<b>278,374</b>	<b>2,671</b>
<b>Net increase/(decrease) in cash and cash equivalents and bank overdraft</b>		<b>266,907</b>	<b>(3,722)</b>
<b>Cash and cash equivalents and bank overdraft at the beginning of the period</b>		<b>37,623</b>	<b>5,178</b>
<b>Cash and cash equivalents and bank overdraft at the end of the period</b>	<b>8</b>	<b>304,530</b>	<b>1,456</b>

Additional explanatory notes to the interim condensed consolidated financial statements attached on pages 12 to 18 are their integral part

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the 3 month-period ended on 31 March 2012**

	Note	Share capital	Share premium	Other reserve capitals	Treasury shares	Retained earnings/ Accumulated losses	Total	Non-controlling interests	Total equity
<b>As at 1 January 2012</b>		<b>29,593</b>	<b>435,560</b>		<b>(150)</b>	<b>(285,214)</b>	<b>179,789</b>	<b>19,974</b>	<b>199,763</b>
Issue of share capital	19	-	-	828,614	-	-	828,614	-	828,614
Transaction costs		-	-	(4,329)	-	-	(4,329)	-	(4,329)
Acquisition of subsidiaries		-	-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	(28,750)	(28,750)	(11)	(28,761)
Total comprehensive income/(loss) for the		-	-	-	-	(28,750)	(28,750)	(11)	(28,761)
<b>As at 31 March 2012</b>		<b>29,593</b>	<b>435,560</b>	<b>824,285</b>	<b>(150)</b>	<b>(313,964)</b>	<b>975,324</b>	<b>19,963</b>	<b>995,287</b>

	Note	Share capital	Share premium	Other reserve capitals	Treasury shares	Retained earnings/ Accumulated losses	Total	Non-controlling interests	Total equity
<b>As at 01 January 2011</b>		<b>5,919</b>	<b>166,903</b>		<b>(150)</b>	<b>(209,576)</b>	<b>(36,904)</b>		<b>(36,904)</b>
Adjustment for an error from previous		-	-	-	-	(21,298)	(21,298)	-	(21,298)
<b>As at 1 January 2011, after adjustment</b>		<b>5,919</b>	<b>166,903</b>	<b>-</b>	<b>(150)</b>	<b>(230,874)</b>	<b>(58,202)</b>	<b>-</b>	<b>(58,202)</b>
Issue of share capital		-	-	-	-	-	-	-	-
Transaction costs		-	-	-	-	-	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	(3,670)	(3,670)	-	(3,670)
Total comprehensive income/(loss) for the		-	-	-	-	(3,670)	(3,670)	-	(3,670)
<b>As at 31 March 2011</b>		<b>5,919</b>	<b>166,903</b>	<b>-</b>	<b>(150)</b>	<b>(234,544)</b>	<b>(61,872)</b>	<b>-</b>	<b>(61,872)</b>

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group covers the period ended on 31 March 2012. On 15 May 2012 these interim condensed consolidated financial statements of the Group for the 3-month period ended on 31 March 2012 were approved for publication by the Management Board.

### 1. General Information

The NFI Midas S.A. Capital Group (the "Group") is composed of NFI Midas S.A. (the "parent company", "Company", "Fund") and its subsidiaries. The parent is entered in the Register of Entrepreneurs of the National Court Register kept by the District Court in Warsaw, 12th Commercial Department of the National Court Register, under the number KRS 0000025704. The parent company was granted statistical number REGON 010974600.

The parent company and other Group entities have an unlimited period of operation. The main area of the Group business activities is telecommunications activities conducted within the territory of Poland.

The intermediate parent of the Fund is Litenite Limited with its registered office in Nicosia, Cyprus ("Litenite"). The subsidiaries of the Fund which belong to the Group and are subject to full consolidation are:

Entity	Registered office	Scope of activity	Percentage share 31 March 2012	of the Fund in the capital 31 December 2011
CenterNet S.A.	Warsaw	telecommunications	100 %	100 %
Mobyland Sp. z o.o.	Warsaw	telecommunications	100 %	100 %
Compidon Ltd	Nicosia	no operating activities	100 %	100 %
Aero2 Sp. z o.o.	Warsaw	telecommunications	100 %	100 %
Daycon Trading Ltd	Nicosia	no operating activities	100 %	100 %
Nova Capital Sp. z o.o.	Warsaw	no operating activities	42.63 %	42.63 %

As at 31 March 2012 and 31 December 2011 the share in the total number of votes held by the Fund in subsidiaries is equal to the Fund's share in the equity of those entities. An exception is Nova Capital Sp. z o.o. ("Nova") in which the Fund holds 42.63% of the share capital and 50.03% of voting rights.

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

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), in particular in accordance with International Accounting Standard 34 and IFRSs adopted by the European Union, as published and effective on 31 March 2012. At the date of approving these condensed consolidated financial statements, in light of the current process of IFRS endorsement in the EU and the nature of the activities carried out by Narodowy Fundusz Inwestycyjny MIDAS Spółka Akcyjna ("Company", "Fund"), in the area of accounting principles applied by the Company there is no difference between effective IFRSs and the IFRSs approved by the EU.

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

These interim condensed consolidated financial statements are presented in Polish zlotys ("PLN"). These interim condensed consolidated financial statements have been prepared based on the assumption that Narodowy Fundusz Inwestycyjny MIDAS Spółka Akcyjna Capital Group ("Group", "Midas Group") will continue as a going concern in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements, the parent's Management Board is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2011, published on 20 March 2012. The interim condensed consolidated and interim condensed standalone financial results may not fully reflect prospects to achieve consolidated and standalone financial results for the financial year.

### **3. Summary of significant accounting policies**

The accounting policies adopted in preparing the interim condensed consolidated financial statement are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 31 December 2011, except for the following new or amended standards and interpretations in force for annual periods beginning on or after 1 January 2012:

- Amendments to IAS 24 *Related party disclosures* (as amended in November 2009) - applicable to annual periods beginning on or after 1 January 2011. The purpose of those amendments is to simplify and clarify the definition of related party. The amendment removed the requirement to disclose information about transactions with related parties in relation to the government which exercises control or joint control over the reporting unit or has a significant influence thereon and in relation to another entity which is related party because the same government exercises control or joint control over the reporting entity and such another entity or has a significant influence thereon. The application of these changes had no impact on the financial position or operating results of the Company or the scope of information presented in the financial statements of the Company.
- Amendments to IFRIC 14 IAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayments of a Minimum Funding Requirement* - applicable to annual periods beginning on or after 1 January 2011. This amendments removes unintended effects of IFRIC 14 relating to voluntary contributions for pension purposes in the event where there are minimum funding requirements. The application of such amendments had no impact on the financial situation or operating results of the Company.
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* - applicable to annual periods beginning on or after 1 July 2010. IFRIC 19 clarifies the accounting principles applicable when after the entity renegotiates terms of its indebtedness respective obligations are settled by the debtor by issuing equity instruments for the benefit of the creditor. The application of such interpretation had no impact on the financial position or operating results of the Company.
- Amendments to IAS 32 *Financial Instruments: Presentation: Classification of Rights Issues*. The amendment clarifies how to account for certain rights when issued financial instruments are denominated in a currency other than the functional currency of the issuer. The application of such amendments had no impact on the financial position or operating results of the Company.
- Improvements to IFRSs (issued in May 2010) - some amendments are effective for annual periods beginning on or after 1 July 2010, other for annual periods beginning on or after 1 January 2011. The application of such amendments had no impact on the financial position or operating results of the Company.
- *Amendments to IFRS 1 First adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* - applicable to annual periods beginning on or after 1 July 2010. The application of such amendments had no impact on the financial position or operating results of the Company.

The Company did not early adopt any standard, interpretation or amendment already issued but not yet effective.

### **4. Segment information**

The Group's activities are treated by the management as a single coherent operating segment covering wholesale telecommunications activity. The management evaluates the financial results of the Group by analysing its interim condensed consolidated financial statements.

### **5. Seasonality of activities**

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

### **6. Property, plant and equipment**

#### **6.1. Purchases and disposals**

During the 3-month period ended on 31 March 2012 the Group acquired property, plant and equipment with the value of PLN 3,087,000 PLN (during the 3-month period ended on 31 March 2011: PLN 3,000 ).

During the 3-month period ended on 31 March 2012 the Group did not sell any essential items of property, plant and equipment (in the 3-month period ended on 31 March 2011: PLN 5,000 ).

## **6.2. Impairment write downs**

During the period ended on 31 March 2012 and the corresponding period of the prior year, the Group did not recognise any significant impairments of tangible assets.

## **7. Intangible assets**

### **7.1. Purchases and disposals**

During the 3-month period ended on 31 March 2012 the Group did not acquire any essential intangible assets (in the 3-month period ended on 31 March 2011: PLN 6,000 ).

During the 3-month period ended on 31 March 2012 the Group did not sell any essential intangible assets (in the 3-month period ended on 31 March 2011: PLN 5,000 ).

### **7.2. Impairment write downs**

During the period ended on 31 March 2012 and the corresponding period of the prior year, the Group did not recognise any significant impairments of intangible assets.

## **8. Cash and cash equivalents**

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

	<b>31 March 2012 in PLN '000</b>	<b>31 March 2011 in PLN '000</b>
Cash at bank and on hand	303,813	1,456
Others	717	-
<b>Cash and cash equivalents</b>	<b>304,530</b>	<b>1,456</b>

## **9. Provisions**

During the 3-month period ended on 31 March 2012, the Group did not recognise any significant movements in the balance of provisions in comparison to those described in the annual consolidated financial statements for 2011.

## **10. Interest-bearing loans and borrowings (including commercial papers).**

On 17 February 2012, the Fund issued 20,000 commercial papers (series MID0612.3) with a par value of PLN 1,000 each and a total par value of PLN 20,000,000 at an issue price equal to the par value. All those commercial papers were acquired by Alior Bank S.A. with its registered office in Warsaw. The papers are secured and subject to repayment in full on 30 June 2012. Interest rate was set at WIBOR 1M + 2.5 %. By the date of these financial statements the papers were re-acquired by the Fund as described in Note 19 hereto.

## **11. Deferred income**

As at 31 March 2012 the Group recognised deferred income of PLN 158,840,000 (during the period ended on 31 December 2011: PLN 135,539,000 ).

The increase results from orders placed in the reporting period under the following agreements:

- the agreement between Mobyland and Cyfrowy Polsat S.A. for delivery of data transmission services based on LTE and HSPA+ technologies to Cyfrowy Polsat subscribers.  
Invoiced amounts are presented as deferred income to be settled thereafter based on actually consumed gigabytes GB). As at 31 March 2012 the value of services remaining to be settled amounted to PLN 112,065,000;
- and the agreement signed by Mobyland with Polkomtel S.A. on 9 March 2012 for the provision of

telecommunications services on wholesale terms. The agreement sets out terms and conditions for the cooperation between the Parties aimed at providing Polkomtel with access to the public mobile telecommunications network and defines terms and conditions under which Mobyland delivers data transmission services to Polkomtel based on LTE and WCDMA technologies, for purposes of telecommunications services carried out by Polkomtel for its subscribers.

Invoiced amounts are presented as deferred income to be settled thereafter based on actually consumed gigabytes GB). As at 31 March 2012 the value of services remaining to be settled amounted to PLN 7,104,000 .

The amount of deferred income resulting from the agreement with Sferia for mutual utilisation of telecommunications infrastructure decreased by PLN 750,000 .

## 12. Financial liabilities

During the 3-month period ended on 31 March 2012 financial liabilities increased by PLN 4,359,000 . This change was due to a rise in liabilities from the issue of debt papers by PLN 20,307,000 and a reduction in the finance lease liabilities by PLN 15,948,000 .

## 13. Financial Instruments

In the 3-month period ended on 31 March 2012 the Fund granted to Aero2 Sp. z o.o. a loan in the amount of PLN 20,000,000. 20.0 This loan is secured and subject to repayment in full together with accrued interest on 29 June 2012. The loan bears interest at WIBOR 1M + 3 pp.

## 14. Financial risk management objectives and policies

During the 3-month period ended on 31 March 2012, 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 2011 annual consolidated financial statements.

## 15. Capital management

During the 3-month period ended on 31 March 2012, the Group did not change its goals, principles or procedures for capital management compared to those disclosed in the 2011 annual consolidated financial statements.

## 16. Contingent liabilities

	31 March 2012 in PLN '000	31 December 2011 in PLN '000
Liabilities from bank guarantees granted mainly as performance guarantees	3,910	4,310
Contractual liability to reimburse Polkomtel against capital expenditures incurred for the telecommunications network	57,000	-
<b>Total contingent liabilities</b>	<b>60,910</b>	<b>4,310</b>

As at 31 March 2012 contingent liabilities of the Group amounted to PLN 60,910,000 . Compared with contingent liabilities presented in the annual consolidated financial statements for 2011, in January 2012 bank guarantees which were issued on behalf of CenterNet for the benefit of Oracle Polska Sp. z o.o. with the total value of PLN 400,000 expired, while in March 2012 there was an agreement signed between Mobyland and Polkomtel S.A. (described in section 7 of the other information to this quarterly report) under which there is a contingent liability of PLN 57,000,000.

## 17. Capex liabilities

During the 3-month period ended on 31 March 2012 the Group did not undertake to incur any capital expenditures for property, plant and equipment other than the ones disclosed in the 2011 consolidated financial statements.

## 18. Related party disclosures

The table below presents the total values of transactions with related parties entered into during the 3-month periods ended respectively on 31 March 2012 and 2011:

Related party:		Revenues from mutual transactions, of which:	from sales	interest on loans	other	Costs of mutual transactions, of which:	interest on commercial papers	interest on loans	other
Nova Capital	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011					45		45	
Sferia	2012	3,974	3,349	539	86	2,683			2,683
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cyfrowy Polsat	2012	7,995	7,975		20	6			6
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
INVEST BANK	2012	74				74		1,200	2
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inwestycje Polskie	2012					111			111
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RS TV	2012	10	10						
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Polkomtel	2012	2,006	1,506			500			87
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tele Audio Sp. z o.o.	2012					42			42
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Other entities		Receivables from related parties, of which:	trade receivables	loans	other	Liabilities to related parties, of which:	trade receivables	loans	other
Sferia	2012	46,673	7,132	36,103	3,438	24,651	1,435		23,216
	2011	44,558	5,066	35,564	3,928	25,585	1,620		23,965
Cyfrowy Polsat	2012	16	16			112,072	7		112,065
	2011	288	288			94,281			94,281
INVEST BANK	2012					58,145		58,145	
	2011					62,247		62,247	
Litelite	2012					1,385			1,385
	2011					548,249			548,249
Inwestycje Polskie	2012								
	2011					1	1		
RS TV	2012								
	2011					1	1		
Polkomtel	2012	11,085	11,085			11,141	4,037		7,104
	2011					1,143	1,143		

## 19. Share capital increase

In the first half quarter of 2012 the Fund successfully conducted a public offering of 1,183,733,400 D class ordinary bearer shares with a nominal value of PLN 0.10 each. The share issuance was conducted in observance of the pre-emptive right of existing shareholders. Each existing share entitled to 1 pre-emptive right to acquire 4 new shares in the issue. The issue price established by the Management Board, with the consent of the Supervisory Board, amounted to PLN 0.70. D class shares issuance costs were described in section 11 of the other information to this quarterly report.

On 18 April 2012 (subsequent event) the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, registered the increase of the Fund's share capital. The Fund's share capital was increased from the amount of PLN 29,593,335.00 to the amount of PLN 147,966,675.00.

Therefore as at the date of this report the share capital of the Fund amounts to PLN 147,966,675.0 and is divided into 1,479,666,750 ordinary bearer shares with a nominal value of 0, PLN 10 each, including:

- 11,837,334 A class shares,
- 47,349,336 B class shares,
- 236,746,680 C class shares,
- 1,183,733,400 D class shares.

Each ordinary share gives the right to one vote at the General Meeting of Shareholders.

All shares issued have been paid in full and registered with the National Court Register.



## **20. Subsequent events**

On 18 April 2012 the District Court for the City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, registered the increase of the Fund's share capital and respective amendments to the Fund's Statute. The share capital increase was required to be registered following the public offering of D class ordinary bearer shares of the Fund carried out in the first quarter of 2012. The Fund published information on the share capital increase and the amendments to the Company's Statute in current report No. 24/2012 of 19 April 2012.

On 26 April 2012 the Fund paid PLN 1,136,093.60 to Litenite of the total outstanding balance of Litenite receivables in performance of the agreement on the mutual offset of receivables between the Fund and Litenite. The Agreement on the mutual offset of receivables was concluded in connection with Litenite submitting an offer for D class shares in the Fund and the receivable arising therefrom due from Litenite to the Fund under the obligation of Litenite to make payment for 781,234,152 D class shares and in connection with the receivable due to Litenite from the Fund as payment of the price of selling the Fund 100 per cent of the ownership interests in Conpidon Limited with its registered office in Nicosia, Cyprus ("Conpidon") on the basis of an agreement for the sale of ownership interests in Conpidon. The agreement on the mutual offset of receivables was described in current report No. 88/2011 of 9 December 2011. That payment constituted the final settlement of the above agreement for the sale of ownership interests in Conpidon, and contributed to the implementation of the first goal of the issue of D class shares, i.e. payment of the price for the acquisition of Aero2, which was a subsidiary of Conpidon. The Fund published information on the mutual offset of receivables in current report No. 26/2012 of 26 April 2012.

On 26 April 2012 the Fund exercised its right and performed an early redemption of commercial papers referenced MID0612.1, MID0612.2 and MID0612.3 (the "Papers") issued respectively on 18 July 2011, 9 December 2011 and 17 February 2012 (the Fund reported on the issue of the Papers in current reports No. 51/2011 of 19 July 2011, No. 87/2011 of 9 December 2011 and No. 12/2012 of 17 February 2012). The owner of the Papers on the date of their early redemption was Alior Bank S.A. with its registered office in Warsaw ("Alior Bank"). The Papers were redeemed for the total amount of PLN 71,854,000, which included PLN 71,500,000, the nominal value of the Papers, and PLN 354,000 of interest due for the period from 1 April 2012 to 26 April 2012. The early redemption of the Papers was performed as part of implementing the second goal of the D class shares issuance, that is, repayment of debts arising from debt papers issued by the Fund, held by Alior Bank. The Fund published information on the early redemption of the papers in current report No. 27/2012 of 26 April 2012.

**NFI Midas Spółka Akcyjna**

**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE 3-  
MONTH PERIOD ENDED ON 31 MARCH 2012**

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## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME for the 3 month-period ended on 31 March 2012

	Note	3-month period ended 31 March 2012 in PLN '000 (unaudited)	3-month period ended 31 March 2011 in PLN '000 (unaudited)
<b>Continued activities</b>			
Depreciation and amortisation		(2)	(13)
Wages and salaries		(132)	(57)
Other costs by type		(379)	(254)
Other operating income		-	1,098
Other operating expenses		-	(1)
<b>Profit/ (loss) on operating activities</b>		<b>(513)</b>	<b>773</b>
Financial income		1,489	294
Other finance costs		(1,900)	(2,393)
<b>Profit/ (loss) on financial activities</b>		<b>(411)</b>	<b>(2,099)</b>
<b>Profit/ (loss) before tax</b>		<b>(924)</b>	<b>(1,326)</b>
<b>Profit/ (loss) for the period from continued activities</b>		<b>(924)</b>	<b>(1,326)</b>
<b>Net profit/ (loss) for the period</b>		<b>(924)</b>	<b>(1,326)</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(924)</b>	<b>(1,326)</b>
Average weighted number of ordinary shares		452,025,062	59,181,670
Net profit/ (loss) from continued activities per share attributable to equity holders of the Fund (in PLN) basic		(0.002)	(0.02)

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Additional explanatory notes to the interim condensed consolidated financial statements attached on pages 12 to 18 are their integral part

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION as at 31 March 2012

	31 March 2012 in PLN '000 (unaudited)	31 December 2011 in PLN '000 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
<u>Property, plant and equipment</u>	20	22
<u>Other financial assets (non-current)</u>	966,203	966,203
<b>Total non-current assets</b>	<b>966,223</b>	<b>966,225</b>
<b>Current assets</b>		
<u>Trade and other receivables</u>	62,388	42,197
<u>Cash and cash equivalents</u> <span style="float: right;">8</span>	284,302	3,244
<u>Other prepayments</u>	56	1,199
<b>Total current assets</b>	<b>346,746</b>	<b>46,640</b>
<b>Total assets</b>	<b>1,312,969</b>	<b>1,012,865</b>
	<b>31 March 2012 in PLN '000 (unaudited)</b>	<b>31 December 2011 in PLN '000 (audited)</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>attributable to equity holders of the parent, including:</b>		
<u>Share capital</u>	29,593	29,593
<u>Share premium</u>	435,655	435,655
<u>Treasury shares</u>	(150)	(150)
<u>Other reserve capitals Retained earnings / Accumulated losses</u>	824,285 (84,803)	(83,879)
<u>Retained earnings/ (Accumulated losses)</u>	(83,879)	(78,210)
<u>Net profit/ (loss) for the current period</u>	(924)	(5,669)
<b>Total equity</b>	<b>1,204,580</b>	<b>381,219</b>
<b>Non-current liabilities</b>		
<u>Other liabilities</u>	24,487	24,021
<b>Total non-current liabilities</b>	<b>24,487</b>	<b>24,021</b>
<b>Current liabilities</b>		
<u>Trade and other liabilities</u>	4,594	548,713
<u>Deferred income</u>	27	54
<u>Interest-bearing loans and borrowings</u>	7,506	7,411
<u>Other financial liabilities</u>	71,744	51,379
<u>Accruals</u>	31	68
<b>Total current liabilities</b>	<b>83,902</b>	<b>607,625</b>
<b>Total equity and liabilities</b>	<b>1,312,969</b>	<b>1,012,865</b>

Additional explanatory notes to the interim condensed consolidated financial statements attached on pages 12 to 18 are their integral part

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

### for the 3-month period ended on 31 March 2012

	Note	3-month period ended 31 March 2012 in PLN ‘000 (unaudited)	3-month period ended 31 March 2011 in PLN ‘000 (unaudited)
<b>Net profit/ (loss) for the period</b>		(924)	(1,326)
Depreciation and amortisation		2	13
Interest expense		1,667	2,078
Gain/ (loss) on investing activities		-	6
- Trade and other receivables		666	9
- Trade and other liabilities		(66)	(19)
- Deferred income		(27)	-
- Prepayments/accruals		(93)	(37)
Interest income		(1,086)	-
Other		-	22
<b>Net cash flow from operating activities</b>		<b>139</b>	<b>746</b>
Proceeds from sale of property, plant and equipment and intangible assets		9	-
Loans granted and repaid		(20 000)	-
Interest received		320	-
Other		95	-
<b>Net cash flow from investing activities</b>		<b>(19,576)</b>	<b>-</b>
Expenses from issue of commercial papers		-	(1,559)
Proceeds from loans		-	2,125
Interest paid		(936)	-
Loan repayments (including interest expense)		-	(175)
Proceeds from issue of debt securities		20,000	-
Proceeds from shares issues		281,431	-
Other		-	(12)
<b>Net cash flow from financing activities</b>		<b>300,495</b>	<b>379</b>
<b>Net increase/(decrease) in cash and cash equivalents and bank overdraft</b>		<b>281,058</b>	<b>1,125</b>
<b>Cash and cash equivalents and bank overdraft at the beginning of the period</b>		<b>3,244</b>	<b>140</b>
<b>Cash and cash equivalents and bank overdraft at the end of the period</b>		<b>284,302</b>	<b>1,265</b>

Additional explanatory notes to the interim condensed consolidated financial statements attached on pages 12 to 18 are their integral part

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**for the 3 month-period ended on 31 March 2012**

	Share Note capital	Share premium	Other reserve capital	Treasury shares	Retained earnings/ Accumulated losses	Total	Total equity
As at 1 January 2012	29,593	435,655	-	(150)	(83,879)	381,219	381,219
<u>Issue of share capital</u>	=	=	828,614	=	=	828,614	828,614
<u>Transaction costs</u>	=	=	(4,329)	=	=	(4,329)	(4,329)
<i>Net profit/(loss) for the period</i>	=	=	=	=	(924)	(924)	(924)
<u>Total comprehensive income/ (loss) for the period</u>	=	=	=	=	(924)	(924)	(924)
<b>As at 31 March 2012 (unaudited)</b>	<b>29,593</b>	<b>435,655</b>	<b>824,285</b>	<b>(150)</b>	<b>(84,803)</b>	<b>1,204,580</b>	<b>1,204,580</b>

	Share Note capital	Share premium	Other reserve capital	Treasury shares	Retained earnings/ Accumulated losses	Total	Total equity
As at 01 January 2011	5,919	166,998	-	(150)	(78,210)	94,557	94,557
<i>Net profit/(loss) for the period</i>	=	=	=	=	(1,326)	(1,326)	(1,326)
<u>Total comprehensive income/ (loss) for the period</u>	=	=	=	=	(1,326)	(1,326)	(1,326)
<b>As at 31 March 2011 (unaudited)</b>	<b>5,919</b>	<b>166,998</b>	<b>-</b>	<b>(150)</b>	<b>(79,536)</b>	<b>93,231</b>	<b>93,231</b>

**OWNERSHIP INTERESTS IN SUBSIDIARIES AND SUMMARY OF INVESTMENT PORTFOLIO**  
**CHANGE IN THE CARRYING AMOUNT OF INVESTMENT PORTFOLIO COMPONENTS**

	n subsidiaries	Shares in associates	Shares in other domestic entities	Total
<b>Carrying amount as at 1 January 2012</b>	<b>966,203</b>			<b>966,203</b>
Total increases	-	-	-	-
- purchase	-	-	-	-
- share capital increase	-	-	-	-
Total decreases	-	-	-	-
- sales	-	-	-	-
- share of result	-	-	-	-
<b>Carrying amount as at 31 March 2012</b>	<b>966,203</b>	-	-	<b>966,203</b>

**MARKETABILITY OF INVESTMENT PORTFOLIO COMPONENTS**

		Listed (with unrestricted marketability)	With restricted marketability
Shares in subsidiaries	carrying amount	-	966,203
	value at cost	-	966,203
	fair value	-	966,203
	market value	-	N/A
Shares in associates	carrying amount		
	value at cost		
	fair value	-	-
	market value	-	-
Shares in other domestic entities	carrying amount		
	value at cost		
	fair value	-	-
	market value	-	-
TOTAL	carrying amount		966,203
	value at cost	-	966,203
	fair value	-	966,203
	market value	-	N/A

For the purpose of classifying investment portfolio components according to marketability, the following rules were accepted:

- **with restricted marketability** - ownership interests and securities not admitted to public trading,
- **with unrestricted marketability** - securities admitted to public trading and listed in public trading by virtue of an administrative decision (shares, debentures) or by virtue of law (treasury bills and treasury bonds), as well as commercial debt securities whose liquidity is guaranteed by the organiser of the issue.



**SHARES IN SUBSIDIARIES AND ASSOCIATES – as at 31 March 2012.**

Name of entity and legal form	Registered office	Business activity	Nature of capital relationship	Number of shares	Book value of shares	Carrying amount of shares	Market value (for listed companies)	Percentage of share capital held	Share in total number of votes at the General Meeting of Shareholders
CenterNet S.A.	Warsaw	Telecommunications services	Subsidiary	4,264,860	238,989	238,989	N/A	100.00%	100.00%
Mobyland Sp. z o.o.	Warsaw	Telecommunications services	Subsidiary	204,200	178,770	178,770	N/A	100.00%	100.00%
Conpidon Ltd	Nicosia	No operating activities	Subsidiary	221,000	548,444	548,444	N/A	100.00%	100.00%
Aero2 Sp. z .o.o.	Warsaw	Telecommunications services	Indirect subsidiary through Conpidon Ltd	221,000	N/A	N/A	N/A	100.00%	100.00%
Nova Capital Sp. z o.o.	Warsaw	No operating activities	Indirect subsidiary through Aero2 Sp. z o.o.	62,207	N/A	N/A	N/A	42.63%	50.03%
Daycon Trading Ltd	Warsaw	No operating activities	Indirect subsidiary through Aero2 Sp. z o.o.	2,800	N/A	N/A	N/A	100.00%	100.00%
<b>Total</b>					<b>966,203</b>	<b>966,203</b>	<b>N/A</b>		

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

### **1. General information**

NFI MIDAS S.A. ("Company") is a joint-stock company with its registered office in Warsaw at ul. Lwowska 19, whose shares are in publicly trading.

The interim condensed financial statements of the Company cover the 3-month period ended on 31 March 2012 and contain comparative data as required by the International Financial Reporting Standards ("IFRS").

The statement of comprehensive income and notes thereto include data for the 3-month period ended on 31 March 2012 and comparative data for the 3-month period ended on 31 March 2011 and they were not subject to a review or an audit by an independent auditor.

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

The Company has an unlimited period of operation.

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

- Financial holding activity (64.20.Z)
- Other forms of granting loans (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)
- Purchase and sale of real estate on its own account (68.10.Z)

During the reporting period there were no changes resulting from business combinations, the Company did not acquire or lose control over subsidiaries or long-term investments, and there were no restructured or discontinued activities.

On 15 May 2012 these interim condensed consolidated financial statements of the Company for the 3-month period ended on 31 March 2012 were approved for publication by the Management Board.

The Company also prepared interim condensed consolidated financial statements for the 3-month period ended on 31 March 2012 which were approved by the Management Board for publication on 15 May 2012.

### **2. Basis for preparing the interim condensed financial statements**

These interim condensed financial statements were drawn up in accordance with the rules described in Note 2 to the interim condensed consolidated financial statements of the Group for the first quarter 2012.

### **3. Summary of significant accounting policies**

Accounting policies applied to the preparation of the interim condensed financial statements are consistent with those applied in the preparation of the interim condensed consolidated financial statements of the Group for the 3-month period ended on 31 March 2012.

### **4. Segment information**

The activities conducted by the Company are treated by the Management Board as a single coherent operating segment including supervisory activities in relation to subsidiaries operating in the telecommunications industry. Management evaluates the financial position and results of the Company based on the consolidated financial statements.

### **5. Seasonality of activities**

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

## **6. Property, plant and equipment**

### **6.1. Purchases and disposals**

During the 3-month period ended on 31 March 2012, the Company did not incur any significant expenditures for property, plant and equipment (as it was the case in the corresponding period of the previous year). During the 3-month period ended on 31 March 2012 the Group did not sell any essential items of property, plant and equipment (in the 3-month period ended on 31 March 2011: PLN 9,000 ).

### **6.2. Impairment write downs**

During the 3-month period ended on 31 March 2012 the Company did not recognise any significant impairment of property, plant and equipment (as it was the case in the corresponding period of the previous year).

## **7. Intangible assets**

### **7.1. Purchases and disposals**

During the 3-month period ended on 31 March 2012 the Company did not incur any significant expenditures for intangible assets (as it was the case in the corresponding period of the previous year). During the 3-month period ended on 31 March 2012 the Company did not sell any items of intangible assets (as it was the case in the corresponding period of the previous year).

### **7.2. Impairment write downs**

During the 3-month period ended on 31 March 2012 the Company did not recognise any significant impairment of intangible assets (as it was the case in the corresponding period of the previous year).

## **8. Cash and cash equivalents**

For purposes of the interim condensed statement of cash flows cash and cash equivalents comprise the following:

	<b>31 March 2012</b>	<b>31 March 2011</b>
Cash at bank and on hand	283,749	1,265
Others	553	-
<b>Cash and cash equivalents</b>	<b>284,302</b>	<b>1,265</b>

## **9. Provisions**

During the 3-month period ended on 31 March 2012 there were no significant movements in the level of provisions recognised.

## **10. Interest-bearing loans and borrowings (including commercial papers).**

On 17 February 2012 the Company issued 20,000 commercial papers (series MID0612.3) with a par value of PLN 1,000 each and a total par value of PLN 20,000,000 at an issue price equal to the par value. All those commercial papers were acquired by Alior Bank S.A. with its registered office in Warsaw. The papers are secured and subject to repayment in full on 30 June 2012. Interest rate was set at WIBOR 1M + 2.5 %. By the date of these financial statements the papers were re-acquired by the Group as described in Note 17 hereto.

On 17 February 2012 the Company granted a loan to Aero2 in the amount of PLN 20,000,000. The loan is secured and subject to repayment in full together with interest due on 29 June 2012. The loan bears interest at WIBOR 1M + 3 pp.

## **11. Financial Instruments**

During the 3-month period ended on 31 March 2012 NFI MIDAS S.A. granted a loan to Aero2 Sp. z o.o. in the amount of PLN 20,000,000. The loan is secured and subject to repayment in full together with interest due on 29 June 2012. The loan bears interest at WIBOR 1M + 3 pp.

## 12. Financial liabilities

During the 3-month period ended on 31 March 2012 financial liabilities increased by PLN 20,365,000 . This change was due to a rise in liabilities from the issue of debt papers.

## 13. Financial risk management objectives and policies

During the 3-month period ended on 31 March 2012 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 2011 annual standalone financial statements.

## 14. Capital management

During the 3-month period ended on 31 March 2012 the Company did not change its goals, principles or procedures for capital management compared to those disclosed in the 2011 annual standalone financial statements.

## 15. Contingent liabilities and contingent assets

In the 3-month period ended on 31 March 2012 there were no changes in contingent liabilities and contingent assets compared with the data disclosed in the 2011 annual standalone financial statements.

## 16. Capex liabilities

At 31 March 2012 and 31 December 2011 the Company did not undertake to incur any expenditures on property, plant and equipment.

## 17. Related party disclosures

The table below presents the total values of transactions with related parties entered into during the 3-month periods ended on 31 March 2012 and 31 March 2011, and the balances of receivables and liabilities as at 31 March 2012 and 31 December 2011.

Subsidiaries:		Revenues from mutual transactions, of which:	from sales	interest on loans	other	Costs of mutual transactions, of which:	interest on commercial papers	interest on loans	other
CenterNet	2012	436	—	409	27	45	37	—	8
	2011	—	—	—	—	154	121	24	9
Mobyland	2012	—	—	—	—	429	429	—	—
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aero2	2012	552	—	552	—	30	—	—	30
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Other related parties:		Revenues from mutual transactions, of which:	from sales	interest on loans	other	Costs of mutual transactions, of which:	interest on commercial papers	interest on loans	other
Sferia	2012	—	—	—	—	33	—	—	33
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inwestycje Polskie	2012	—	—	—	—	110	—	—	110
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	—	—	—	—	5	—	—	5

Polkomtel	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nova Capital	2012					95		95	
	2011	-	-	-	-	45	-	45	-
Mobyland	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	-	-	-	-	-	-	-	-
Aero2	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	-	-	-	-	77	-	53	24

Subsidiaries:		<i>Receivables from related parties, of which:</i>	<i>trade receivables</i>	<i>loans</i>	<i>other</i>	<i>Liabilities to related parties, of which:</i>	<i>trade liabilities</i>	<i>loans</i>	<i>commercial papers</i>
CenterNet	2012	22,669	-	22,669	-	3,124	71	-	3,053
	2011	22,265	5	22,260	-	3,035	19	-	3,016
Mobyland	2012					20,000			20,000
	2011	5	5	-	-	21,005	-	-	21,005
Aero2	2012	39,568		39,568		4	4		
	2011	19,816	5	19,016	795	16	16	-	-

Other related parties:		<i>Receivables from related parties, of which:</i>	<i>trade receivables</i>	<i>loans</i>	<i>other</i>	<i>Liabilities to related parties, of which:</i>	<i>trade liabilities</i>	<i>loans</i>	<i>other</i>
Sferia	2012	-	-	-	-	12	12	-	-
	2011	-	-	-	-	12	12	-	-
Litenite	2012					1,136			1,136
	2011					548,000			548,000
Nova Capital	2012	-	-	-	-	7,506	-	7,506	-
	2011	-	-	-	-	7,411	-	7,411	-

## 18. Subsequent events

Subsequent events applicable to the Fund were described in Note 19 to the interim condensed consolidated financial statements of the Midas Group.

## OTHER INFORMATION FOR THE QUARTERLY REPORT

### 1. Changes in the structure of the Midas Group

During the period covered by this quarterly report there were no changes in the structure of the Midas Group.

### 2. Shareholding structure

The table below shows the shareholders of the Fund which, as at the date of this quarterly report, i.e. 15 May 2012, hold either directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of Shareholders of the Fund. The following list was drawn up on the basis of notifications received by the Fund from the shareholders pursuant to Art. 69 of the Act on public offering and conditions for the introduction of financial instruments to organised trading, and public companies ("Act on Public Offering"), and pursuant to Art. 160 of the Act on trading in financial instruments ("Act on Trading").

Name of the shareholder of the Fund	Number of shares	%	Number of votes	%
<u>Zygmunt Solorz-Żak (*) (**)</u>	<u>976,530,159</u>	<u>65.9966</u>	<u>976,530,159</u>	<u>65.9966</u>
<u>Other shareholders</u>	<u>503,136,591</u>	<u>34.0034</u>	<u>503,136,591</u>	<u>34.0034</u>
<b>Shares in the Fund</b>	<b>1,479,666,750</b>	<b>100.00</b>	<b>1,479,666,750</b>	<b>100.00</b>

(\*)Mr. Zygmunt Solorz-Żak, the Chairman of the Supervisory Board of the Fund, controls the Fund through: (i) Karswell Limited with its registered office in Nicosia, Cyprus; (ii) Ortholuck Limited with its registered office in Nicosia, Cyprus and (iii) Litenite Limited with its registered office in Nicosia, Cyprus for 976,525,159 shares in the Fund held by Litenite, as well as through (iv) the Fund for 5,000 treasury shares held by the Fund.

(\*\*) The number of shares and votes takes account of 5,000 treasury shares of the Fund held indirectly by Litenite Limited, where, in accordance with Art. 364 of the Code of Commercial Companies, NFI Midas S.A. does not exercise voting rights from its own treasury shares.

From the date of the previous quarterly report of the Fund, i.e. since 14 November 2011, until the date of this report, i.e. until 15 May 2012, the Management Board of the Fund received three notifications pursuant to Art. 69 of the Act on Public Offering:

- notification received on 17 November 2011 from Mr. Zygmunt Solorz-Żak about the acquisition of 17,531 shares of the Fund by a subsidiary of Litenite. As stated therein, respective transactions were concluded on the Warsaw Stock Exchange on 10 November 2011. The price for per one share amounted to PLN 1.57. The shares were acquired following a call for the Fund shares announced by the Calling Party on 4 October 2011 pursuant to Art. 73. 2 paragraph 1 of the Act. The contents of the notification was made public in the current report No. 83/2011 dated 17 November 2011,

- notification received on 16 February 2012 from Allianz Platinum FIZ Fund about crossing the threshold of 5% of the total number of votes in the Company as a result of changes in the number of shares held in the Company. As stated therein, following the changes Allianz Platinum FIZ Fund holds 7,000,000 shares in the Company, which represent 2.3653% of the Company's share capital and entitle to 7,000,000 votes which constitute a 2.3653% share in the total number of votes, and together with Allianz FIO the Fund owns 15,117,234 shares of NFI Midas S.A. which constitute 5.1082% of the share capital of the Company and entitle to 15,117,234 votes which constitute a 5.1082% share in the total number of votes. The contents of the notification was made public in the current report No. 10/2012 dated 16 February 2012,

- notification received on 15 March 2012 from Allianz Platinum FIZ Fund according to which following a disposal of NFI Midas S.A. shares by Allianz FIO and Allianz Absolute Return FIZ the number of shares held by the Fund together with Allianz FIO and Allianz Absolute Return FIZ funds fell below a 5% share in the total number of votes in the Company. After the transaction, the Fund holds 7,300,000 shares in NFI Midas

S.A. which represent 2.4668% of the Company's share capital and entitle to 7,300,000 votes which constitute a 2.4668% share in the total number of votes, and together with Allianz FIO and Allianz Absolute Return FIZ

the Fund holds 14,766,338 shares in NFI Midas S.A. which constitute 4.9898% of the Company's share capital and entitle to 14,766,338 votes which constitute a 4.9898% share in the total number of votes. The contents of the notification was made public in the current report No. 16/2012 dated 15 March 2012.

In addition, on 10 May 2012 the Fund received from Mr. Zygmunt Solorz-Żak a notification about the acquisition by Litenite, which is indirectly controlled by the Responsible Person, following a recording on the securities account, of 781,234,152 D class shares of the Fund (ISIN code: PLNFI0900014) in connection with their registration in the National Depository of Securities. Shares were recorded at KDPW and credited to the securities account on 7 May 2012. The issue price for D class

shares was equal to PLN 0.70 per share. Recording rights to the foregoing D class shares on the securities account was the subject of a notification dated 29 March 2012 about which the Fund informed in the current report No. 21/2012. The Fund published information on the receipt of such notification in the current report No. 31/2012 of 11 May 2012.

The a/m current reports are available on the Fund's website at [www.midasnfi.pl](http://www.midasnfi.pl).

Large blocks of the Fund's shares, based on the information provided to the Fund by the shareholders as at the date of the previous quarterly report of the Fund, i.e. as at 14 November 2011, were held by the following entities (share in the capital and the number of votes calculated on the basis of the number of shares forming the share capital of the Fund as at 14 November 2011):

Name of the shareholder of the Fund	Number of shares	%	Number of votes	%
<u>Zygmunt Solorz-Żak (*) (**)</u>	<u>195,296,007</u>	<u>65.9932</u>	<u>195,296,007</u>	<u>65.9932</u>
<u>Other shareholders</u>	<u>100,637,343</u>	<u>34.0068</u>	<u>100,637,343</u>	<u>34.0068</u>
<b>Shares in the Fund</b>	<b>295,933,350</b>	<b>100.00</b>	<b>295,933,350</b>	<b>100.00</b>

(\*)Mr. Zygmunt Solorz-Żak, the Chairman of the Supervisory Board of the Fund, controls the Fund through: (i) Karswell Limited with its registered office in Nicosia, Cyprus; (ii) Ortholuck Limited with its registered office in Nicosia, Cyprus and (iii) Litenite Limited with its registered office in Nicosia, Cyprus for 195,291,007 shares in the Fund held by Litenite, as well as through (iv) the Fund for 5,000 treasury shares held by the Fund.

(\*\*) The number of shares and votes takes account of 5,000 treasury shares of the Fund held indirectly by Litenite Limited, where, in accordance with Art. 364 of the Code of Commercial Companies, NFI Midas S.A. does not exercise voting rights from its own treasury shares.

### 3. Direct shareholdings in the Fund by persons managing and supervising the Fund

The table below presents a summary of direct shareholdings in the Fund by managing and supervising persons as at the date of this quarterly report, i.e. as at 15 May 2012, together with changes since the date of the previous quarterly report, i.e. since 14 November 2011.

Name and surname	Position	Shares in the Fund held as at 15.05.2012	Change	Shares in the Fund held as at 14.11.2011
<u>Zygmunt Solorz-Żak (*)</u>	<u>Chairman of the Supervisory Board</u>	<u>none</u>	<u>-</u>	<u>none</u>
<u>Krzysztof Majkowski</u>	<u>Vice Chairman of the Supervisory Board</u>	<u>237.000</u>	<u>-</u>	<u>237.000</u>
<u>Andrzej Abramczuk</u>	<u>Secretary of the Supervisory Board</u>	<u>none</u>	<u>-</u>	<u>none</u>
<u>Andrzej Chajec (**)</u>	<u>Member of the Supervisory Board</u>	<u>none</u>	<u>-</u>	<u>none</u>
<u>Mirosław Mikołajczyk</u>	<u>Member of the Supervisory Board</u>	<u>none</u>	<u>-</u>	<u>none</u>
<u>Jerzy Żurek</u>	<u>Member of the Supervisory Board</u>	<u>none</u>	<u>-</u>	<u>none</u>
<u>Wojciech Pytel</u>	<u>President of the Management Board</u>	<u>none</u>	<u>-</u>	<u>N/A</u>
<u>Maciej Kotlicki</u>	<u>Member of the Management Board</u>	<u>none</u>	<u>-</u>	<u>none</u>
<u>Krzysztof Adaszewski</u>	<u>Member of the Management Board</u>	<u>none</u>	<u>-</u>	<u>none</u>

(\*) Mr Zygmunt Solorz-Żak holds 976,530,159 shares in the Fund, either directly or indirectly, through entities he directly or indirectly controls. Mr. Zygmunt Solorz-Żak holds shares of the Fund through the following entities: (i) Karswell Limited with its registered office in Nicosia, Cyprus; (ii) Ortholuck Limited with its registered office in Nicosia, Cyprus and (iii) Litenite Limited with its registered office in Nicosia, Cyprus for 976,525,159 shares in the Fund held by Litenite, as well as through (iv) the Fund for 5,000 treasury shares held by the Fund.

(\*\*) A person closely-related to Mr Andrzej Chajec, as defined in Art. 160 par. 2 of the Act on trading in financial instruments holds 50 shares in the Fund.

At the same time, the Issuer announces that managing and supervising persons do not have any rights to the Fund's shares.

#### **4. Information on the Fund or its subsidiary granting sureties for loans or borrowings or guarantees**

In the period covered by this quarterly report companies from the Midas Group did not grant to any entity any sureties for loans or borrowings or guarantees whose value exceeded 10% of the Fund's equity.

#### **5. Dividends**

During the reporting period entities from the Midas Group did not declare any dividends.

#### **6. Statement of the Management Board of the Fund as to the feasibility of any previously published forecasts**

The Midas Group did not publish any forecasts of financial results for 2012.

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

A detailed description of the proceedings pending before courts, authorities competent for arbitration proceedings or public administration authorities was presented in the consolidated annual report of the Midas Group for 2011. In the period covered by this quarterly report there were no significant changes in this regard. In addition, in the period covered by this quarterly report no proceedings were pending or were initiated in relation to commitments or debts of the Fund or its subsidiary whose value would be at least 10% of the equity of the Fund.

#### **8. Significant events and agreements concluded by the Midas Capital Group**

On 23 January 2012 Cyfrowy Polsat S.A. ("Cyfrowy Polsat") submitted to Mobyland Sp. z o.o. order No. 2 ("Order") to the Agreement of 15 December 2010 concerning the rules of cooperation between Mobyland and Cyfrowy Polsat within the scope related to Mobyland providing data transmission services to Cyfrowy Polsat ("Agreement"). Under this Order, Cyfrowy Polsat ordered a data package in the wireless data transmission service in the Mobyland network, having a size of 13 million gigabytes and a total value of PLN 103,034,880 plus VAT. The data package ordered by Cyfrowy Polsat will have a guaranteed validity period of 36 months from the date of submitting the Order, where the parties allow the possibility of extending this period. The Order was submitted in relation to Mobyland achieving the telecommunications network development level declared in the Agreement, meaning 900 base stations built and integrated with the Mobyland network as at the end of 2011. Pursuant to the Agreement, Mobyland will provide access to a wireless data transmission service rendered in the 1800 and 900 MHz bands in LTE or HSPA+ technology. The Agreement has been concluded for an unspecified period of time and its value will be defined on the basis of separate orders issued by Cyfrowy Polsat with respect to the purchase of data transmission services. The Fund published information on the receipt of the order in current report No. 4/2012 of 24 January 2012.

On 28 February 2012, the Fund concluded an agreement with Litenite Limited with its registered office in Nicosia, Cyprus ("Litenite") for a mutual offset of receivables (the "Agreement"). Under the Agreement, on 28 February 2012 the Fund and Litenite made a contractual offset of receivables in the amount of PLN 546,863,906.40 due to the Fund from Litenite against a cash receivable in the amount of PLN 548,000,000 due to Litenite from the Fund. As a result of the contractual set off, the above-mentioned receivable due to the Fund was written off in full, i.e. in the amount of PLN 546,863,906.40 and the above-mentioned receivable due to Litenite was written off in part, i.e. up to the amount of PLN 1,136,093.60. Any outstanding balance due to Litenite from the Fund, as stated in the preceding sentence, was paid up by the Fund on 26 April 2012 (subsequent event). The agreement was concluded as part of implementing the first of the goals of the issue of D class shares, i.e. payment of the price for the acquisition of Aero2. The Fund published information on the conclusion of the agreement in the current report No. 14/2012 of 28 February 2012.

On 9 March 2012 Mobyland concluded an agreement with Polkomtel S.A. ("Polkomtel") for the provision of telecommunications services under wholesale conditions ("Agreement"). Under the Agreement, on 9 March 2012 Mobyland received the first order for data transmission services from Polkomtel, in the amount of 11 million gigabytes, for a total net amount of PLN 101.7 million. The other conditions of the Agreement were described in detail in current report No. 15/2012 of 9 March 2012.

On 30 March 2012 Aero2 concluded a cooperation agreement with Polkomtel for the mutual provision of services for the use of



telecommunications infrastructure ("Agreement"). Under the Agreement, on 30 March 2012 Aero2 submitted order No. 1 for RAN Services ("Order No. 1"), which will be rendered for a period of 5 years starting from 1 April 2012. The estimated value of Order No. 1 on the date of its submission amounts to PLN 144.5 million. The subject of the Agreement is specification of the rules of cooperation between Aero2 and Polkomtel involving receipt of access by each of the Parties - within the scope specified in the Agreement - to the telecommunications infrastructure of the other Party, and mutual rendering by the Parties - based on their telecommunications infrastructure - of services for the needs of their conducting telecommunications activities (providing wholesale and retail telecommunication services) using frequencies held by the Parties and for the needs of Aero2 rendering services to Mobyland Sp. z o.o. and CenterNet S.A. ("Mobyland", "CenterNet") under separate agreement(s) within the scope of construction and granting access to telecommunications networks in order to use radio frequencies at the disposal of Mobyland and CenterNet under a decision of the President of the UKE on frequency reservations. Under the Agreement, each of the Parties is bound to provide the following services to the other Party ("Services"): SITE services, RAN services, and an optional SITE Transmission Service. Cooperation under the Agreement shall enable each of the Parties to significantly decrease the costs of maintaining its telecommunications infrastructure, to optimise that infrastructure technically, and to ensure better quality of the telecommunications services provided using that infrastructure to end users of each of the Parties. Specific Services shall be provided on the basis of written orders separately submitted by a given Party (an "Order") and accepted by the other Party within 30 days from the date of submission. The other conditions of the Agreement were described in detail in the current report No. 22/2012 of 30 March 2012.

## **9. Issuance, redemption or repayment of debt and equity securities**

On 19 March 2012 the Fund allotted all D class shares of the Fund offered as a part of the public offering. Summary information about the public offering is presented below:

1. D class shares subscription opening and closing date: Principal Subscriptions and Additional Subscriptions were accepted from 20 February 2012 to 1 March 2012.
2. Date of allocation of D series shares: 19 March 2012.
3. Number of subscribed shares: 1,183,733,400 D class shares of the Fund.
4. Subscription reduction rate: the Public Offering was not divided into tranches. Under the Principal Subscriptions the reduction rate was 0%. Under the Additional Subscriptions the reduction rate was 95.47%.
5. Number of D class shares subscribed under the Public Offering:
  - a. as a part of the Principal Subscriptions - 1,162,711,013 D class shares,
  - b. as a part of the Additional Subscriptions - 464,219,507 D class shares.
6. Number of D class shares allotted under the subscription: Under the Principal Subscriptions the Management Board of the Fund decided to allot 1,162,711,013 D class shares. Under the Additional Subscriptions the Management Board of the Fund decided to allot 21,022,387 D class shares.
7. Price at which D class shares were subscribed for: PLN 0.70
8. Number of persons subscribing for D class shares: There were 7,142 subscriptions in aggregate, including: 6,417 Principal Subscriptions and 725 Additional Subscriptions.
9. Number of persons to whom shares were allotted under the subscription for D class shares: under the Principal Subscriptions the Management Board of the Fund decided to allot shares to 6,417 subscribers. Under the Additional Subscriptions the Management Board of the Fund decided to allot shares to 700 subscribers (due to a 95.47 percent reduction of the Additional Subscriptions persons who had subscribed for 20 shares or less were not allotted any D class share).
10. Underwriters: The Fund did not enter into any underwriting agreement for the Public Offering.
11. Value of the subscription: PLN 828,613,380
12. Finally D class shares issue costs reached PLN 4,329,000 including:
  - a. the cost of preparing and conducting the Public Offering: PLN 3,562,000 ,
  - b. underwriters' fees: PLN 0,
  - c. the costs of drafting the issue prospectus, including advisory expenses: PLN 610,000 ,
  - d. costs of promotion of the Public Offering - PLN 157,000 .The issue costs will reduce the supplementary capital originating from share premium. The average cost of subscription per one D class share amounted to PLN 0.0037

D class shares of the Fund were introduced on a regular basis to trading on the primary market on 7 May 2012.

On 26 April 2012 the Fund exercised its right and performed an early redemption of commercial papers referenced MID0612.1, MID0612.2 and MID0612.3 (the "Papers") issued respectively on 18 July 2011, 9 December 2011 and 17 February 2012 (the

Fund reported on the issue of the Papers in current reports No. 51/2011 of 19 July 2011, No. 87/2011 of 9 December 2011 and No. 12/2012 of 17 February 2012). Information on the issue and redemption of the Papers are in Note 10 and 20 to these interim condensed consolidated financial statements of the Midas Group.

## **10. Other information which, in the opinion of the Fund, is significant to an evaluation of its staffing, asset and financial position, its financial result and changes thereof, as well as information significant to an evaluation of the possibility of the Fund discharging its liabilities**

In the first quarter of 2012 the Midas Group received orders for data transmission service for a total of PLN 204,749,000. Revenues from these orders are recognized in the accounting books based on the actual consumption, while the payment under these orders are made in 12 equal instalments. A growth in the Midas Group's revenues in the first quarter of 2012 is related among others to a rising consumption of ordered packages.

The Midas Group is pursuing large infrastructural investments which is reflected in increasing values of asset items and at the same time a quite rapid surge in the cost of construction and maintenance of the network.

In the opinion of the Management Board of the Fund, referring to the first quarter of 2012, there is no other information besides the one disclosed in this quarterly report which is essential for staffing, assets, financial position, financial result and their changes, as well as there is no information which is relevant for the assessment of the Fund's ability to settle its liabilities and commitments.

## **11. Factors that in the Fund's opinion will influence the results it achieves within at least the next quarter**

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

1. performance of agreements for wireless data transmission based on LTE or HSPA + technologies by Mobyland,
2. a further expansion of the telecommunications infrastructure carried out by Aero2.

## **12. Investor relations**

The Fund as a company listed on the Warsaw Stock Exchange is obliged to conduct a transparent reporting policy. The Management Board of the Fund complies with such obligation by timely publishing of its current and periodic reports. An important element of communication with current and potential shareholders of the Fund is the Fund's website, available at [www.midasnfi.pl](http://www.midasnfi.pl), where there is such information as reports, notices on the General Meeting of Shareholders, and reports on all other important events in the Midas Capital Group.

In the first quarter of 2012 the Management Board of the Fund actively participated in meetings with analysts and representatives of institutional investors held as a part of the "roadshow" in connection with the issue of D class shares. Furthermore in the FAQ document published on the Fund's website the Management Board answered the most frequent questions concerning the issue of D class shares asked by individual investors.

In view of recent changes in the Capital Group currently works are in progress on new regulations for the circulation and protection of confidential information in the Group and for the preparation and transmission of current and periodic reports. In this regard, in particular in order to avoid so-called "hype", the Management Board of the Fund decided, based on the opinion of PFSA, that no agreement concluded within the NFI Midas S.A. Capital Group and as such subject to the exclusions in the consolidation of the financial results the Midas Group, is to be considered as significant agreement and that publishing information on the agreements concluded within the Group is required only in the event when the information is not deemed inside information as defined in Art. 154 of the Act on trading in financial instruments.

In order to improve the quality of the Fund's communications with investors, starting from the first quarter of 2012, the Management Board of the Fund will be publishing on the website of the Fund presentations briefly describing the most important events in the market environment of the Fund, significant achievements and failures, as well as the plans and prospects for the future. In addition, after reports are published the Management Board plans to make available their translations into English on the Fund's website as soon as they are translated. Furthermore, after the publication of the interim and annual reports, the Management Board of the Fund plans to organise an "Investors Day", i.e. meetings with investors during which it intends to present and discuss financial results disclosed in the reports and answer questions concerning the implementation of the Fund's business strategy.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Wojciech Pytel  
/President of the Management Board/

Maciej Kotlicki  
/Member of the Management Board/

Krzysztof Adaszewski  
/Member of the Management Board/

SIGNATURE OF THE PERSON KEEPING THE BOOKS OF ACCOUNT

Teresa Rogala / on  
behalf of SFERIA  
Spółka Akcyjna/

Warsaw, 15 May 2012