The Capital Group
of Narodowy Fundusz Inwestycyjny
MIDAS Spółka Akcyjna

Interim condensed consolidated report
for the 6-month period ended 30 June 2012

PSr 1/2012

Place and date of publication: Warsaw, 31 August 2012

CONTENT OF THE REPORT:

SELECTED FINANCIAL DATA OF THE MIDAS CAPITAL GROUP

	6-month period ended 30 June 2012 thousands of PLN	6-month period ended 30 June 2011 thousands of PLN	6-month period ended 30 June 2012 thousands of EUR	6-month period ended 30 June 2011 thousands of EUR
Revenues	38 918	13 786	9 212	3 475
Loss on operating activities	(84 803)	(10 887)	(20 074)	(2 744)
Loss before taxation	(86 272)	(15 900)	(20 422)	(4 008)
Net loss on continued activities attributable to equity holders of the parent	(82 136)	(15 775)	(19 442)	(3 976)
Net cash flow from operating activities	17 859	(26 273)	4 227	(6 622)
Net cash flow from investing activities	(27 102)	(167 980)	(6 415)	(42 341)
Net cash flow from financing activities	188 870	200 871	44 708	50 631
Average weighted number of shares	965 843 406	112 773 022	965 843 406	112 773 022
Basic loss from continued activities per ordinary share in PLN	(0.09)	(0.14)	(0.02)	(0.04)

	30 June 2012 thousands of PLN	31 December 2011 thousands of PLN	30 June 2012 thousands of EUR	31 December 2011 thousands of EUR
Total assets	1 544 156	1 373 915	362 367	311 066
Total liabilities	460 673	1 032 374	108 106	233 738
Long-term liabilities	174 520	181 400	40 955	41 070
Current liabilities	286 153	850 974	67 152	192 668
Equity attributable to equity holders of the parent	1 063 551	321 567	249 584	72 805
Share capital	147 967	29 593	34 723	6 700

SELECTED FINANCIAL DATA OF THE FUND

	6-month period ended 30 June 2012 thousands of PLN	6-month period ended 30 June 2011 thousands of PLN	6-month period ended 30 June 2012 thousands of EUR	6-month period ended 30 June 2011 thousands of EUR
Revenues from sales	-	-	-	-
Loss on operating activities	(940)	459	(223)	116
Profit/ (loss) before taxation	2 110	(4 255)	499	(1 073)
Net profit (loss) on continued activities attributable to equity holders of the parent	2 110	(4 255)	499	(1 073)
Net cash flow from operating activities	2 415	(675)	572	(170)
Net cash flow from investing activities	(41 027)	(178 560)	(9 712)	(45 008)
Net cash flow from financing activities	217 120	179 243	51 395	45 180
Average weighted number of shares	965 843 406	112 773 022	965 843 406	112 773 022
Basic profit (loss) from continued activities per ordinary share in PLN	0.002	(0.04)	0.0005	(0.01)

	30 June 2012 thousands of PLN	31 December 2011 thousands of PLN	30 June 2012 thousands of EUR	31 December 2011 thousands of EUR
Total assets	1 232 611	1 012 865	289 257	229 321
Total liabilities	25 162	631 646	5 905	143 010
Long-term liabilities	24 953	24 021	5 856	5 439
Current liabilities	209	607 625	49	137 571
Equity attributable to equity holders of the parent	1 207 449	381 219	283 352	86 311
Share capital	147 967	29 593	34 723	6 700

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 2012: 4.2613 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 6-month period ended 30 June 2012 and the 6-month period ended 30 June 2011 (4.2246 PLN/EUR and 3.9673 PLN/EUR respectively).

Capital Group
of Narodowy Fundusz Inwestycyjny
MIDAS Spółka Akcyjna

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2012
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2012

	Note	3-month period ended 30 June 2012 in PLN '000 *(unaudited)*	6-month period ended 30 June 2012 in PLN '000 *(unaudited)*	3-month period ended 30 June 2011 in PLN '000 *(restated unaudited)*	6-month period ended 30 June 2011 in PLN '000 *(restated unaudited)*
Continuing operations					
Revenues from sales of goods and services	6	20 657	38 918	7 704	13 786
Depreciation and amortization	7	(26 365)	(52 230)	(4 355)	(7 509)
Wages and salaries	7	(1 597)	(2 663)	(506)	(1 009)
Other costs by type	7	(39 746)	(69 650)	(12 085)	(17 085)
Other operating income		285	1 688	12	1 123
Other operating expenses		(1 029)	(866)	(179)	(193)
Profit/ (loss) for the period on operating activities		**(47 795)**	**(84 803)**	**(9 409)**	**(10 887)**
Finance income	8	3 649	4 826	13	525
Other finance costs	9	(2 515)	(6 295)	(2 834)	(5 538)
Profit/ (loss) on financial activities		**1 134**	**(1 469)**	**(2 821)**	**(5 013)**
Profit/ (loss) before tax		**(46 661)**	**(86 272)**	**(12 230)**	**(15 900)**
Current income tax		-	-	-	-
Deferred tax		2 047	4 094	125	125
Total income tax expense		**2 047**	**4 094**	**125**	**125**
Net profit/ (loss) for the period from continuing operations		**(44 614)**	**(82 178)**	**(12 105)**	**(15 775)**
Net profit/ (loss) for the period from discontinued operations		**-**	**-**	**-**	**-**
Net profit/ (loss) for the period		**(44 614)**	**(82 178)**	**(12 105)**	**(15 775)**
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		(44 614)	(82 178)	(12 105)	(15 775)
Net profit/ (loss) for the period attributable to:					
Equity holders of the parent		(44 583)	(82 136)	(12 105)	(15 775)
Non-controlling interests		(31)	(42)	-	-
		(44 614)	**(82 178)**	**(12 105)**	**(15 775)**
Total comprehensive income/ (loss) for the period attributable to:					
Equity holders of the parent		(44 583)	(82 136)	(12 105)	(15 775)
Non-controlling interests		(31)	(42)	-	-
		(44 614)	**(82 178)**	**(12 105)**	**(15 775)**
Loss per share:					
- basic, from loss for the period attributable to equity holders of the parent		(0.05)	(0.09)	(0.11)	(0.14)
- basic, from loss from continuing operations attributable to equity holders of the parent		(0.05)	(0.09)	(0.11)	(0.14)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	Note	30 June 2012 in PLN '000 *(unaudited)*	31 December 2011 in PLN '000 *(restated)*
ASSETS			
Non-current assets			
Property, plant and equipment	10	312 644	298 412
Intangible assets	11	894 648	933 003
goodwill		41 231	41 231
value of frequency reservations	24	846 242	883 470
other intangible assets		7 175	8 302
Other financial assets (non-current)		36 648	39 564
Other non-financial assets		24 418	33 161
Total non-current assets		**1 268 358**	**1 304 140**
Current assets			
Inventories		267	258
Trade and other receivables	13	53 140	29 716
Cash and cash equivalents	12	217 250	37 623
Other financial assets		4 015	-
Other prepayments		1 126	2 178
Total current assets		**275 798**	**69 775**
Total assets		**1 544 156**	**1 373 915**

EQUITY AND LIABILITIES	Note	**30 June 2012 in PLN '000** *(unaudited)*	**31 December 2011 in PLN '000** *(restated)*
Equity attributable to equity holders of the parent:			
Share capital		147 967	29 593
Share premium		1 141 306	435 560
Treasury shares		(150)	(150)
Retained earnings/Accumulated losses		(225 572)	(143 436)
Retained earnings/ (Accumulated losses)		(143 436)	(230 872)
Net profit/ (loss) for the current period		(82 136)	87 436
Non-controlling interests		**19 932**	**19 974**
Total equity		**1 083 483**	**341 541**
Non-current liabilities			
Interest-bearing loans and borrowings	15, 17	36 060	44 185
Deferred income	16	40 428	35 358
Provisions		3 109	2 840
Deferred tax liability		94 923	99 017
Total non-current liabilities		**174 520**	**181 400**
Current liabilities			
Trade and other payables	21	33 726	588 110
Deferred income	16	159 632	100 181
Current portion of interest-bearing loans and borrowings and other financial liabilities	15, 17	91 981	161 919
Provisions	14	814	764
Total current liabilities		**286 153**	**850 974**
Total equity and liabilities		**1 544 156**	**1 373 915**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the 6-month period ended 30 June 2012

	Note	6-month period ended 30 June 2012 in PLN '000 *(unaudited)*	6-month period ended 30 June 2011 in PLN '000 *(restated, unaudited)*
Profit/ (loss) before taxation		**(86 272)**	**(15 900)**
Depreciation and amortization		52 230	7 509
Interest expense		4 714	5 497
(Gain)/ loss from investing activities		589	-
Change in assets and liabilities related to operating activities:			
- trade and other receivables		(23 560)	622
- inventories		(9)	62
- other long-term assets		-	(109)
- trade and other liabilities		5 180	(25 620)
- deferred income		64 521	6 529
- other prepayments/accruals		56	-
- provisions		50	(6 633)
Income/ (expenses) from interest and dividends on securities available-for-sale		(320)	-
Commission on bonds issuance		392	-
Other		288	1 770
Net cash flow from operating activities		**17 859**	**(26 273)**
Acquisition of subsidiary, net of cash acquired		-	(164 912)
Acquisition of subsidiary - deferred payment		(1 136)	-
Purchase of property, plant and equipment and intangible assets		(26 286)	(3 077)
Proceeds from sale of property, plant and equipment and intangible assets		-	9
Purchase/ proceeds from sale of other non-current assets		320	-
Net cash flow from investing activities		**(27 102)**	**(167 980)**
Expenses from bonds issuance		(297)	-
Proceeds from borrowings		-	7 425
Repayment of bank loans		(8 356)	(175)
Proceeds from bank loans		-	17 500
Interest paid on bank loans		(2 357)	(181)
Proceeds from issuance of debt securities		20 000	-
Repayment of debt securities		(71 500)	(104 424)
Interest paid on bonds issued		(1 730)	(5 316)
Payment of finance lease liabilities (related to fixed assets)		(25 087)	-
Proceeds from shares issuance		278 180	286 053
Other		17	(11)
Net cash flow from financing activities		**188 870**	**200 871**
Net increase/(decrease) in cash and cash equivalents		**179 627**	**6 618**
Cash and cash equivalents at the beginning of the period		**37 623**	**5 178**
Cash and cash equivalents at the end of the period	12	**217 250**	**11 796**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 6-month period ended 30 June 2012

		Equity attributable to equity holders of the parent						
	Note	**Share capital**	**Share premium**	**Treasury shares**	**Retained earnings/ Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2012		**29 593**	**435 560**	**(150)**	**(143 436)**	**321 567**	**19 974**	**341 541**
Issue of share capital	25	118 374	710 240	-	-	828 614	-	828 614
Transaction costs		-	(4 494)	-	-	(4 494)	-	(4 494)
Acquisition of subsidiaries		-	-	-	-	-	-	-
Net profit/(loss) for the period		-	-	-	*(82 136)*	*(82 136)*	*(42)*	*(82 178)*
Total comprehensive income/(loss) for the period		-	-	-	*(82 136)*	*(82 136)*	*(42)*	*(82 178)*
As at 30 June 2012 (unaudited)		**147 967**	**1 141 306**	**(150)**	**(225 572)**	**1 063 551**	**19 932**	**1 083 483**

	Note	**Share capital**	**Share premium**	**Treasury shares**	**Retained earnings/ Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2011		**5 919**	**166 903**	**(150)**	**(230 874)**	**(58 202)**	**-**	**(58 202)**
Issue of share capital		23 674	269 891	-	-	293 565	-	293 565
Transaction costs		-	(1 196)	-	-	(1 196)	-	(1 196)
Acquisition of subsidiaries		-	-	-	-	-	-	-
Net profit/(loss) for the period		-	-	-	(15 775)	(15 775)	-	(15 775)
Total comprehensive income/(loss) for the period		-	-	-	(15 775)	(15 775)	-	(15 775)
As at 30 June 2011 (restated, unaudited)		**29 593**	**435 598**	**(150)**	**(246 649)**	**218 392**	**-**	**218 392**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group have been drawn for the 6-month period ended 30 June 2012 and contain comparative data as required by the International Financial Reporting Standards ("IFRS").

The statement of comprehensive income includes data for the 6-month period ended 30 June 2012, the 3-month period ended 30 June 2012, and comparative data for the 6-month period ended 30 June 2011 and the 3-month period ended 30 June 2011. The data for the 3-month period ended 30 June 2012 and comparative data for the 3-month period ended 30 June 2011 were not subject to a review or an audit by an independent auditor.

On 31 August 2012, these interim condensed consolidated financial statements of the Group for the 6-month period ended 30 June 2012 were authorised for issue 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 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, Entry No. 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 company 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	Share of Fund in equity in %	
			30 June 2012	31 December 2011
CenterNet S.A.	Warsaw	telecommunications	100%	100%
Mobyland Sp. z o.o.	Warsaw	telecommunications	100%	100%
Conpidon 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 30 June 2012, 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.

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

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 IAS 34 and IFRSs endorsed by the European Union. At the date of authorisation of these condensed consolidated financial statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there is no difference between the IFRSs applied by the Group and the IFRSs endorsed by the European Union.

IFRSs 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 have been presented in Polish zloty ("PLN") and all values are rounded to the nearest thousands (PLN '000) except when otherwise indicated.

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of authorisation of these interim condensed consolidated financial statements, the parent company's Management Board is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Group entities.

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.

3. Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except for the adoption of the following new or amended Standards and Interpretations applicable to annual reporting periods beginning on or after 1 January 2012 as noted below:

- Amendment to IFRS 7 *Financial instruments - Disclosures: Transfer of Financial Assets.* The amendment apply for annual periods beginning on or after 1 July 2011.

Below new standards, interpretations or amendments that were issued but are not yet effective at the date of authorisation of these financial statements are presented:

- The first phase of IFRS 9 *Financial instruments: Classification and Measurement* - effective for financial years beginning on or after 1 January 2015 - not endorsed by EU till the date of approval of these financial statements. In subsequent phases, the IASB will address hedge accounting and impairment. The application of the first phase of IFRS 9 will have impact on classification and measurement of the financial assets of the Group. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture,
- Amendments to IAS 12 *Income tax: Deferred Tax: Recovery of Underlying Assets* - effective for financial years beginning on or after 1 January 2012 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* - effective for financial years beginning on or after 1 July 2011 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 10 *Consolidated Financial Statements* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 11 *Joint Arrangements* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 12 *Disclosure of Interests in Other Entities* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 13 *Fair Value Measurement* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IAS 27 *Separate Financial Statements* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IAS 28 *Investments in Associates and Joint Ventures* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,

- Amendments to IAS 19 *Employee Benefits* - effective for financial years beginning on or after 1 January 2013.
- Amendments of IAS 1 *Presentation of financial statements: presentation of items of other comprehensive income* - which apply for annual periods beginning on or after 1 July 2012.
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* - effective for financial years beginning on or after 1 January 2013 -not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 7 *Financial instruments - Disclosures: Offsetting Financial Assets and Financial Liabilities* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 32 *Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities* - effective for financial years beginning on or after 1 January 2014 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Government Loans* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- *Improvements to IFRSs (issued in May 2012)* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not effective.

4. Segment information

The Group’s activities are treated by the Management as a single coherent operating segment covering wholesale telecommunications activity. 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. Revenues

	3-month period ended 31 March 2012 in PLN ‘000	**6-month period ended 30 June 2012 in PLN ‘000**	**3-month period ended 31 March 2011 in PLN ‘000**	**6-month period ended 30 June 2011 in PLN ‘000**
Sales of telecommunications services	14 419	35 059	6 082	13 785
Revenues from sales of goods	3 842	3 859	-	1
Total revenues	**18 261**	**38 918**	**6 082**	**13 786**

7. Costs by type

During the 6-month period ended 30 June 2012, costs by type increased by PLN 98,940 thousand in comparison to the corresponding period of the previous year. This change results from the acquisition of the companies: Mobyland in June 2011 and Aero2 Sp. in December 2011. As a result of the acquisition of Aero2, the Group incurs costs of maintaining and operating a telecommunications network, which change in line with the growth of the number of base stations.

8. Finance income

During the 6-month period ended 30 June 2012, finance income increased by PLN 4,301 thousand in comparison to the corresponding period of the previous year. This change results from increase in the amount of interest on cash invested in interest-bearing bank deposits and interests on loans granted to related entities.

9. Finance costs

During the 6-month period ended 30 June 2012, finance costs increased by PLN 757 thousand in comparison to the corresponding period of the previous year. This change results mainly from interest on finance lease of base stations and interest on a bank loan drawn by Aero2 from INVEST-BANK before its acquisition by NFI Midas.

10. Property, plant and equipment

10.1. Purchases and disposals

During the 6-month period ended 30 June 2012, the Group acquired items of property, plant and equipment with the value of PLN 26,531 thousand (mainly telecommunications infrastructure from IT Polpager and ATM).

During the 6-month period ended 30 June 2011, the Group did not acquire any items of property, plant and equipment with a significant value.

During the 6-month period ended 30 June 2012 and the 6-month period ended 30 June 2011, the Group did not dispose any items of property, plant and equipment with a significant value.

10.2. Impairment

During the period ended 30 June 2012, the Group recognised an impairment of property, plant and equipment in the amount of PLN 589 thousand. In the corresponding period of the prior year, the Group did not recognise any significant impairment of property, plant and equipment.

11. Intangible assets

11.1. Purchases and disposals

During the 6-month period ended 30 June 2012 and the 6-month period ended 30 June 2011, the Group did not acquire or dispose of any items of intangible assets with a significant value, except for intangible assets acquired as a part of the acquisition of Mobyland S.A., as described in Note 24.1.

11.2. Impairment

During the 6-month period ended 30 June 2012 and the corresponding period of the prior year, the Group did not recognise any significant impairment of intangible assets.

12. Cash and cash equivalents

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

	30 June 2012 in PLN '000	**30 June 2011 in PLN '000**
Cash at bank and on hand	37 600	11 796
Short-term bank deposits	179 000	-
Interest accrued on bank deposits	650	-
Cash and cash equivalents	**217 250**	**11 796**

13. Trade and other receivables

During the 6-month period ended 30 June 2012, receivables of the Group increased by PLN 23,424 thousand in comparison to the balance as at 30 June 2011. This change results mainly from the increase in the VAT receivable of PLN 8,500 thousand, the increase in trade receivables from Polkomtel (related to the agreement described in Note 16) of PLN 10,425 thousand, and the increase in trade and other receivables from non-related counterparties of PLN 4,499 thousand.

14. Provisions

During the 6-month period ended 30 June 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.

15. Interest-bearing loans and borrowings (including commercial papers)

On 17 February 2012, the Group issued 20,000 commercial papers (series MID0612.3) with a par value of PLN 1 thousand each and a total par value of PLN 20,000 thousand, 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 were secured and subject to repayment in full on 30 June 2012. Interest rate was set at WIBOR 1M + 2.5 %. On 26 April 2012, the Group early re-acquired the commercial papers of series MID0612.1, MID0612.2, MID0612.3 with the total value of PLN 71,500 thousand together with the interest due in the total value of PLN 1,730 thousand.

16. Deferred income

As at 30 June 2012, the Group recognised deferred income of PLN 200,060 thousand (PLN 135,539 thousand as at 31 December 2011). This amount consists of non-current deferred income of PLN 40,428 thousand and the current portion of deferred income in the amount of PLN 159,632 thousand (as at 31 December 2011 PLN 35,358 thousand and PLN 100,181 thousand, respectively).

The increase in the value of feffered income recorded in first half of 2012, results from orders placed to Mobyland in that period under the agreements, basing on which Mobyland provides Data Transmission Services (LTE and HSPA+ technologies) to Polkomtel Sp. z o.o. and Cyfrowy Polsat S.A. Each order placed to date is payable in 12 monthly instalments on the basis of invoices issued by Mobyland, and this is reflected in the value of deferred income. In turn, in line with the use of the data transmission packets ordered, deferred income is recognised in the statement of comprehensive income, where it appear under revenues from sales proportionally to the number of gigabytes (GB) actually used within a given order. As at 30 June 2012, the value of orders remaining to be settled and resulting from the agreement with Cyfrowy Polsat amounted to PLN 128,040 thousand. In turn, the corresponding value of services remaining to be settled and resulting from the agreement with Polkomtel amounted to PLN 26,222 thousand.

Furthermore, the amount of deferred income resulting from the agreement with Sferia for mutual utilisation of telecommunications infrastructure, in comparison with the balance as at 31 December 2011, decreased by PLN 1,498 thousand and amounted to PLN 22,467 thousand as at 30 June 2012.

The remaining amount of deferred income comprises EU grants in the amount of PLN 22,980 thousand and settlements of sales of telecommunications services (prepaid) in the amount of PLN 351 thousand.

17. Loans, borrowings and other financial liabilities

During the 6-month period ended 30 June 2012, financial liabilities decreased by PLN 78,063 thousand. This change was caused by the repayment of commercial papers in the amount of PLN 71,500 thousand, decrease in the value of finance lease liabilities of PLN 18,214 thousand, decrease in liabilities from the bank loan drawn from INVEST-BANK S.A. of PLN 8,461 thousand (including repayment of principal in the amount of PLN 8,124 thousand), increase in liabilities from the issuance of commercial papers of PLN 20,307 thousand, and settlement of transaction costs for commercial papers issued in the amount of PLN 195 thousand.

18. Financial risk management objectives and policies

During the 6-month period ended 30 June 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.

19. Capital management

During the 6-month period ended 30 June 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.

20. Contingent liabilities

	30 June 2012 in PLN '000	**31 December 2011 in PLN '000**
Liabilities from bank guarantees granted mainly as performance guarantees	2 545	4 310
Total contingent liabilities	**2 545**	**4 310**

As at 30 June 2012, contingent liabilities of the Group amounted to PLN 2,545 thousand. 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 thousand expired. Additionally, bank guarantees which were issued on behalf of CenterNet for the benefit of PTC Sp. z o.o. and Polkomtel Sp. z o.o. with the total value of PLN 1,365 thousand expired in May 2012 .

21. Trade and other payables

On 28 February 2012, NFI Midas concluded an agreement with Litenite Limited with its registered office in Nicosia, Cyprus for a mutual netting of settlements (the "Agreement").

According to the Agreement, on 28 February 2012, NFI Midas and Litenite made a contractual set off of receivable of PLN 546,864 thousand – the Company compensated Litenite's liability to pay for 781,234,152 D class shares of NFI Midas covered by the basic subscription submitted by Litenite on 28 February 2012 at an issue price of PLN 0.70 per share under the public offering of D class shares (closed subscription), against a receivable of PLN 548,000 thousand due from NFI Midas to Litenite in respect of payment of the price for 100%

of shares in Conpidon Limited under an agreement for the sale of shares in Conpidon Limited with its registered office in Nicosia, Cyprus. As a result of the contractual set off, the above-mentioned receivable due to NFI Midas was written off in full, i.e. in the amount of PLN 546,864 thousand, and the above-mentioned receivable due to Litenite was written off in part, i.e. up to the amount of PLN 1,136 thousand. On 26 April 2012, NFI Midas paid the remaining amount of PLN 1,136 thousand.

22. Capex liabilities

During the 6-month period ended 30 June 2012, the Company did not incur any capex liabilities that have not been disclosed in these financial statements.

23. Related party disclosures

The table below presents the total values of transactions with related parties entered into during the 6-month periods ended 30 June 2012 and 30 June 2011, and the balances of receivables and payables as at 30 June 2012 and 31 December 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***
Aero2	*2012*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	3	-	-	3	3 144	-	669	2 475
Mobyland	*2012*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	5 837	5 837	-	-	652	652	-	-
Nova Capital	*2012*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	-	-	-	-	140	-	140	-
Sferia	*2012*	7 833	6 695	1 083	55	5 364	-	-	5 364
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cyfrowy Polsat	*2012*	17 798	17 759	-	39	18	-	-	18
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
INVEST-BANK	*2012*	304	-	-	304	2 245	-	2 241	4
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inwestycje Polskie	*2012*	-	-	-	-	220	-	-	220
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RS TV	*2012*	7		-	7	281	-	-	281
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Polkomtel	*2012*	8 451	8 408	-	43	11 999	-	-	11 999
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Teleaudio Dwa	*2012*	-	-	-	-	68	-	-	68
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Related party:		***Receivables from related parties, of which:***	***trade receivables***	***loans***	***other***	***Payables to related parties, of which:***	***trade payables***	***loans***	***other***
Sferia	*2012*	49 947	9 873	36 648	3 426	24 054	1 587	-	22 467*
	2011	44 558	5 066	35 564	3 928	25 585	1 620	-	23 965*

Cyfrowy Polsat	*2012*	15	15	-	-	128 047	7	-	128 040*
	2011	288	284	-	4	94 281	-	-	94 281*
INVEST BANK	*2012*	-	-	-	-	54 006	-	54 006	-
	2011	-	-	-	-	62 247	-	62 247	-
Litenite	*2012*	-	-	-	-	249	-	-	249
	2011	-	-	-	-	548 249	-	-	548 249
Inwestycje Polskie	*2012*	-	-	-	-	1	1	-	-
	2011	-	-	-	-	1	1	-	-
RS TV	*2012*	-	-	-	-	68	68	-	-
	2011	-	-	-	-	1	1	-	-
Polkomtel	*2012*	10 481	10 481	-	-	34 382	8 160	-	26 222*
	2011	-	-	-	-	1 143	1 143	-	-
Media Biznes	*2012*	-	-	-	-	-	-	-	-
	2011	-	-	-	-	12	12	-	-

**Amounts recognised as deferred income*

24. Fair value measurement of Mobyland's and Aero2's concessions

24.1. Valuation of Mobyland's concession

As at 30 June 2012, the final purchase price allocation of Mobyland was made in accordance with IFRS 3 *Business Combinations*. The Management Board measured the 1800 MHz concession at fair value. The effect of that valuation was disclosed in the consolidated financial statements as at 30 June 2012. The existing book value of Mobyland's concession as at the acquisition date, i.e. 6 June 2011, amounted to PLN 77,738 thousand net. The goodwill recognised provisionally as at 6 June 2011 amounted to PLN 115,591 thousand. The fair value measurement of Mobyland as at the acquisition date resulted in an increase of the concession value to PLN 170,000 thousand, i.e. by PLN 92,262 thousand as at 6 June 2011. In connection with the fair value measurement of the concession, a deferred tax liability was recognised as at 6 June 2011 in the amount of PLN 17,530 thousand. The existing goodwill was reduced by PLN 92,262 thousand and increased by the deferred tax liability of PLN 17,530 thousand. The 2011 amortization increased by PLN 4,620 thousand, and amortization for the 6-month period ended 30 June 2012 increased by PLN 3,960 thousand, correspondingly. Those adjustments resulted in a change of comparative data - the change is presented in Note 24.3.

24.2. Valuation of Aero2's concession

As at 30 June 2012, the final purchase price allocation of the Conpidon Group was made, in accordance with IFRS 3 *Business Combinations*. The Management Board measured the 900 MHz and 2600 MHz concessions at fair value. The effect of that measurement was recognised in the consolidated financial statements as at 30 June 2012. The owner of the concession in the Conpidon Group is the company Aero2. The existing book value of Aero2's concession as at the acquisition date, i.e. 9 December 2011, amounted to PLN 195,551 thousand net. The goodwill recognised provisionally as at 9 December 2011 amounted to PLN 205,686 thousand. The fair value measurement as at the acquisition date resulted in an increase in the value of the concession to PLN 631,000 thousand. The remeasurement of the concession to fair value caused an increase in the value of the concession by PLN 435,449 thousand as at 9 December 2011. As a result, a gain from a bargain purchase was recognised in the amount of PLN 147,028 thousand (net of deferred tax liability), and was recognised under other operating income for the year ended 31 December 2011. A deferred tax liability was recognised in the amount of PLN 82,735 thousand as at 9 December 2011. The 2011 amortization increased by PLN 1,948 thousand, and amortization for the 6-month period ended 30 June 2012 increased by PLN 17,592 thousand, correspondingly. Those adjustments resulted in a change of comparative data - the change is presented in Note 24.3.

24.3. Comparative data adjustments

The tables below shows the effect of settlements of the purchases described in Notes 24.1 and 24.2 on the comparative data.

	Value of frequency reservations	Goodwill	Deferred tax liability	Fixed assets	Non-current provisions	Net profit for the year ended 31 December 2011	Retained earnings/ Accumulated losses	Equity
As at 31 December 2011, according to the approved consolidated financial statements for the period	**362 327**	**321 649**	**0**	**295 502**	**0**	**(54 342)**	**(230 872)**	**199 763**
Adjustments:								
- valuation of Mobyland concession	87 642	(74 732)	16 652	0	0	(3 742)	0	(3 742)
- valuation of Aero2 concession	433 501	(205 686)	82 365	2 910	2 840	145 520	0	145 520
As at 31 December 2011 after adjustments	**883 470**	**41 231**	**99 017**	**298 412**	**2 840**	**87 436**	**(230 872)**	**341 541**

	Net profit
For the period from 1 January 2011 to 30 June 2011, according to the approved consolidated financial statements for the period	**(15 240)**
Adjustments:	
- additional depreciation on the valuation of the Mobyland concession	(660)
- settlement of provision on deferred tax on the valuation of the Mobyland concession	125
For the period from 1 January 2011 to 30 June 2011, after adjustments	**(15 775)**

25. Share capital increase

In the first 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.

On 18 April 2012, 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.

As a result of the above, as at the date of the publication of these report, the Fund's share capital amounts to PLN 147,966,675.00 and is divided into 1,479,666,750 ordinary bearer shares with a nominal value of PLN 0.10 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 right to one vote at the General Meeting of Shareholders.

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

As a result of the issue of D class shares, the company acquired PLN 828,614 thousand of capital, while the transaction costs amounted to PLN 4,494 thousand. The Company received cash in the amount of PLN 281,750 thousand, while the remaining PLN 546,864 thousand was set off against the Company's liability to Litenite Limited resulting from the acquisition of the subsidiary Aero2 Sp. z o.o. The method of settlement has been described in Note 21.

26. Events after the reporting period

On 6 July 2012 the Provincial Administrative Court in Warsaw (Wojewódzki Sąd Administracyjny - WSA) passed a judgement in case No. VI SA/Wa 2257/11, in which it reversed the Decision of the President of UKE (Electronic Communications Office) dated 23 September 2011, No. DZC-WAP-5174-9/07 (352), concerning cancelation of the Tender in the part relating to the assessment of PTC’s bid, as well as the previous Decision of the President of UKE dated 13 June 2011, No. DZC-WAP-5174-9/07 (321). The Fund published information about this judgement in the current report No. 33/2012.
The aforementioned judgement of WSA is not final. Both the President of UKE and the participants of the proceeding may file a cassation appeal against WSA’s judgement with the Supreme Administrative Court (NSA) within 30 days after receiving WSA’s judgement including the written justification.

Currently, the Fund, the Fund's subsidiaries and their attorneys are waiting to receive copies of WSA’s judgement together with the justification. After performing analysis of those, a decision concerning further legal actions in the discussed case will be made.

The Management Board of the Fund maintains its previous risk assessment of losing the 1800 MHz frequencies held by CenterNet and Mobyland.

In the opinion of the Management Board, the above proceeding should not have a significant negative impact on the financial position of the Midas Group - as at 30 June 2012, the value of the concessions held by CenterNet and Mobyland amounted to PLN 243,737 thousand. The above proceeding, as well as the risk relating to losing the 1800 MHz frequencies, are described in detail in the Directors’ Report of the NFI Midas S.A. Capital Group for the first half of 2012 (sections 6 and 4.8, respectively).

On 23 July 2012, Aero2 concluded an agreement with Ericsson Sp. z o.o. for the delivery, integration and maintenance of elements of the access telecommunications network of mobile type (the “Framework Agreement”) and a maintenance agreement (the “Maintenance Agreement”). The Fund published information on the agreements concluded by Aero2 in the current report No. 35/2012.

On 26 July 2012, the Supreme Administrative Court (Naczelny Sąd Administracyjny - “NSA") issued a judgement in which it overruled the whole of the judgement of WSA dated 11 February 2011 and remanded the case for reconsideration by WSA. Information about the proceeding in the matter of cancelation of the tender, which NSA’s judgement concerns, was included in section 6 of the Directors’ Report of the NFI Midas S.A. Capital Group for the first half of 2012.

NFI Midas Spółka Akcyjna

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2012
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2012

	Note	**3-month period ended 30 June 2012 in PLN '000** *(unaudited)*	**6-month period ended 30 June 2012 in PLN '000** *(unaudited)*	**3-month period ended 30 June 2011 in PLN '000** *(unaudited)*	**6-month period ended 30 June 2011 in PLN '000** *(unaudited)*
Continuing operations					
Depreciation and amortization		(3)	(5)	(2)	(15)
Wages and salaries		(131)	(263)	(38)	(95)
Other costs by type		(293)	(672)	(274)	(528)
Other operating income		-	-	1	1 099
Other operating expenses		-	-	(1)	(2)
Profit/ (loss)for the period on operating activities		**(427)**	**(940)**	**(314)**	**459**
Finance income	6	4 468	5 957	208	210
Other finance costs	7	(1 007)	(2 907)	(2 823)	(4 924)
Profit/ (loss) on financial activities		**3 461**	**3 050**	**(2 615)**	**(4 714)**
Profit/ (loss) before tax		**3 034**	**2 110**	**(2 929)**	**(4 255)**
Current income tax		-	-	-	-
Deferred tax		-	-	-	-
Total income tax expense		-	-	-	-
Net profit/ (loss) for the period from continuing operations		**3 034**	**2 110**	**(2 929)**	**(4 255)**
Net profit/ (loss) for the period		**3 034**	**2 110**	**(2 929)**	**(4 255)**
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		**3 034**	**2 110**	**(2 929)**	**(4 255)**
Average weighted number of ordinary shares		965 843 406	965 843 406	112 773 022	112 773 022
Net profit/ (loss) from continuing operations per share attributable to equity holders of the company (in PLN)		0.003	0.002	(0.03)	(0.04)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 June 2012

	Note	30 June 2012 in PLN '000 *(unaudited)*	31 December 2011 in PLN '000 *(audited)*
ASSETS			
Non-current assets			
Property, plant and equipment		18	22
Other financial assets (non-current)		966 525	966 203
Total non-current assets		**966 543**	**966 225**
Current assets			
Trade and other receivables	13	84 276	42 197
Cash and cash equivalents	10	181 752	3 244
Other prepayments		40	1 199
Total current assets		**266 068**	**46 640**
Total assets		**1 232 611**	**1 012 865**

	Note	30 June 2012 in PLN '000 *(unaudited)*	31 December 2011 in PLN '000 *(audited)*
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company:			
Share capital	15	147 967	29 593
Share premium		1 141 401	435 655
Own shares		(150)	(150)
Retained earnings/Accumulated losses		(81 769)	(83 879)
Retained profit/ (loss)		(83 879)	(78 210)
Net profit/ (loss) for the current period		2 110	(5 669)
Total equity		**1 207 449**	**381 219**
Non-current liabilities			
Other liabilities		24 953	24 021
Total non-current liabilities		**24 953**	**24 021**
Current liabilities			
Trade and other payables	14	152	548 713
Deferred income		-	54
Current portion of interest-bearing loans and borrowings	12	-	7 411
Other financial liabilities	12	-	51 379
Provisions		57	68
Total current liabilities		**209**	**607 625**
Total equity and liabilities		**1 232 611**	**1 012 865**

INTERIM CONDENSED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2012

	6-month period ended 30 June 2012 *(unaudited)*	**6-month period ended 30 June 2011** *(unaudited)*
Profit/ (loss) before taxation	**2 110**	**(4 255)**
Depreciation and amortization	5	15
Interest expense	2 515	3 836
Gain/ (loss) on investing activities	-	(6)
Exchange rate differences	(2)	-
Change in assets and liabilities related to operating activities:		
- trade and other receivables	298	(126)
- provisions	-	(10)
- trade and other liabilities	(77)	(95)
- deferred income	(54)	-
- accruals	(52)	73
Interest income	(2 942)	(210)
Commission on bonds issuance	392	-
Other	222	103
Net cash flow from operating activities	**2 415**	**(675)**
Acquisition of subsidiary	-	(178 770)
Acquisition of subsidiary - deferred payment	(1 136)	-
Proceeds from sale of property, plant and equipment and intangible assets	9	-
Loans granted	(40 315)	-
Interest received	320	210
Other	95	-
Net cash flow from investing activities	**(41 027)**	**(178 560)**
Expenses from bonds issuance	(297)	-
Proceeds from loans	-	5 125
Interest paid on loans	(523)	(68)
Repayment of loans	(7 010)	(2 115)
Proceeds from issue of debt securities	20 000	-
Repayment of debt securities	(71 500)	(104 424)
Interest paid on bonds issued	(1 730)	(5 316)
Proceeds from shares issuance	278 180	286 053
Other	-	(12)
Net cash flow from financing activities	**217 120**	**179 243**
Net increase/ (decrease) in cash and cash equivalents	**178 508**	**8**
Cash and cash equivalents at the beginning of the period	**3 244**	**140**
Cash and cash equivalents at the end of the period	**181 752**	**148**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2012

	Note	Share capital	Share premium	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**
Issue of share capital	15	118 374	710 240	-	-	828 614	828 614
Transaction costs		-	(4 494)	-	-	(4 494)	(4 494)
Net profit/(loss) for the period		-	-	-	*2 110*	*2 110*	*2 110*
Total comprehensive income/(loss) for the period		-	-	-	2 110	2 110	2 110
As at 30 June 2012 (unaudited)		**147 967**	**1 141 401**	**(150)**	**(81 769)**	**1 207 449**	**1 207 449**

	Share capital	Share premium	Treasury shares	Retained earnings/ Accumulated losses	Total	Total equity
As at 1 January 2011	**5 919**	**166 998**	**(150)**	**(78 210)**	**94 557**	**94 557**
Issue of share capital	23 674	269 891	-	-	293 565	293 565
Transaction costs	-	(1 197)	-	-	(1 197)	(1 197)
Net profit/(loss) for the period	-	-	-	*(4 255)*	*(4 255)*	*(4 255)*
Total comprehensive income/(loss) for the period	-	-	-	(4 255)	(4 255)	(4 255)
As at 30 June 2011 (unaudited)	**29 593**	**435 692**	**(150)**	**(82 465)**	**382 670**	**382 670**

OWNERSHIP INTERESTS IN SUBSIDIARIES AND SUMMARY OF INVESTMENT PORTFOLIO

CHANGE IN THE CARRYING AMOUNT OF INVESTMENT PORTFOLIO COMPONENTS

	Shares in subsidiaries	Shares in associates	Shares in other domestic entities	Total
Carrying amount as at 1 January 2012	**966,203**	**-**	**-**	**966,203**
Total increases	-	-	-	-
- purchase	-	-	-	-
- share capital increase	-	-	-	-
Total decreases	-	-	-	-
- sales	-	-	-	-
- share of result	-	-	-	-
Carrying amount as at 30 June 2012	**966,203**	**-**	**-**	**966,203**

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 as at 30 June 2012

Name of entity and legal form	Registered office	Business activity	Nature of capital relationship	Number of shares	Book value 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	N/A	100.00%	100.00%
Mobyland Sp. z o.o.	Warsaw	Telecommunications services	Subsidiary	204,200	178,770	N/A	100.00%	100.00%
Conpidon Ltd	Nicosia	No operating activities	Subsidiary	221,000	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	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	42.63%	50.03%
Daycon Trading Ltd	Nicosia	No operating activities	Indirect subsidiary through Aero2 Sp. z o.o.	2,800	N/A	N/A	100.00%	100.00%
Total liabilities					**966,203**	**N/A**		

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. Corporate information

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

The interim condensed financial statements of the Company cover the 6-month period ended 30 June 2012 and contain comparative data as required by the International Financial Reporting Standards ("IFRS").

The statement of comprehensive income includes data for the 6-month period ended 30 June 2012, the 3-month period ended 30 June 2012, and comparative data for the 6-month period ended 30 June 2011 and the 3-month period ended 30 June 2011. The data for the 3-month period ended 30 June 2012 and comparative data for the 3-month period ended 30 June 2011 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, Entry No. 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 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 31 August 2012, these interim condensed financial statements of the Company for the 6-month period ended 30 June 2012, were authorised by the Management Board for issue.

The Company has also prepared interim condensed consolidated financial statements for the 6-month period ended 30 June 2012, which were authorised by the Management Board for issue on 31 August 2012.

2. Basis for preparing the interim condensed financial statements

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), in particular in accordance with IAS 34 and IFRSs endorsed by the European Union. At the day of authorization of these condensed financial statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Company's activities, there are no differences in the accounting standards applied by the Company and the IFRS which have come into force and the IFRSs endorsed by the European Union.

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 financial statements have been presented in Polish zloty ("PLN") and all values are rounded to the nearest thousand (PLN '000) except when otherwise indicated.

These interim condensed financial statements have been prepared on the assumption that the business activities of Narodowy Fundusz Inwestycyjny MIDAS Spółka Akcyjna will continue as going concerns in the foreseeable future. As at the date of authorisation of these interim condensed financial statements, the company's Management Board is not aware of any facts or circumstances that would indicate 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 as at 31 December 2011 published on 20 March 2012.

3. Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in preparation of the Company's annual financial statements for the year ended 31 December 2011, except for the adoption of the following new or amended Standards and Interpretations applicable to annual reporting periods beginning on or after 1 January 2012 as noted below:

- Amendment to IFRS 7 *Financial instruments - Disclosures: Transfer of Financial Assets.* The amendment apply for annual periods beginning on or after 1 July 2011.

Below new standards, interpretations or amendments that were issued but are not yet effective at the date of authorisation of these financial statements are presented:

- The first phase of IFRS 9 *Financial instruments: Classification and Measurement* - effective for financial years beginning on or after 1 January 2015 - not endorsed by EU till the date of approval of these financial statements. In subsequent phases, the IASB will address hedge accounting and impairment. The application of the first phase of IFRS 9 will have impact on classification and measurement of the financial assets of the Group. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture,
- Amendments to IAS 12 *Income tax: Deferred Tax: Recovery of Underlying Assets* - effective for financial years beginning on or after 1 January 2012 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* - effective for financial years beginning on or after 1 July 2011 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 10 *Consolidated Financial Statements* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 11 *Joint Arrangements* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 12 *Disclosure of Interests in Other Entities* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IFRS 13 *Fair Value Measurement* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IAS 27 *Separate Financial Statements* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- IAS 28 *Investments in Associates and Joint Ventures* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 19 *Employee Benefits* - effective for financial years beginning on or after 1 January 2013.

- Amendments of IAS 1 *Presentation of financial statements: presentation of items of other comprehensive income* - which apply for annual periods beginning on or after 1 July 2012.
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* - effective for financial years beginning on or after 1 January 2013 -not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 7 *Financial instruments - Disclosures: Offsetting Financial Assets and Financial Liabilities* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 32 *Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities* - effective for financial years beginning on or after 1 January 2014 - not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards: Government Loans* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements,
- *Improvements to IFRSs (issued in May 2012)* - effective for financial years beginning on or after 1 January 2013 - not endorsed by EU till the date of approval of these financial statements..

The Company has not early adopted any standard, interpretation or amendment that was issued but is not effective.

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 Group based on the interim condensed 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. Finance income

During the 6-month period ended 30 June 2012, financial revenues increased by PLN 5,747 thousand in comparison to the corresponding period of the previous year. This change results from the increase in the amount of interest receivable on short-term loans granted (described in Note 13) as well as interest receivable on cash invested in interest-bearing bank deposits, derived from the issue of D class shares.

7. Finance costs

During the 6-month period ended 30 June 2012, financial costs decreased by PLN 2,017 thousand in comparison to the corresponding period of the previous year. This change results from the decrease in the amount of interest accrued on issued commercial papers due to the repayment of the debt arising from the issue of such papers (Note 22 to the annual financial statements for 2011 and Note 12 to these financial statements) as well as interest accrued on loans received (due to early repayment of loans - Note 12).

8. Property, plant and equipment

8.1. Purchases and disposals

During the 6-month period ended 30 June 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). In the 6-month period ended 30 June 2012, the Company did not sell any item of property, plant and equipment (in the 6-month period ended 30 June 2011: PLN 9 thousand).

8.2. Impairment

During the 6-month period ended 30 June 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).

9. Intangible assets

9.1. Purchases and disposals

During the 6-month period ended 30 June 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 6-month period ended 30 June 2012, the Company did not sell any items of intangible assets (as it was the case in the corresponding period of the previous year).

9.2. Impairment

During the 6-month period ended 30 June 2012, the Company did not recognise any significant impairment on the value of intangible assets (as it was the case in the corresponding period of the previous year).

10. Cash and cash equivalents

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

	30 June 2012 in PLN '000	**30 June 2011 in PLN '000**
Cash at bank and on hand	2 102	148
Short-term bank deposits	179 000	-
Interest accrued on bank deposits	650	-
Cash and cash equivalents	**181 752**	**148**

11. Provisions

During the 6-month period ended 30 June 2012, there were no movements in the level of provisions recognised.

12. 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 thousand each and a total par value of PLN 20,000 thousand, 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 were secured and subject to repayment in full on 30 June 2012. Interest rate was set at WIBOR 1M + 2.5 %. On 26 April 2012, the Company early re-acquired the commercial papers of series MID0612.1, MID0612.2, MID0612.3 with the total value of PLN 71,500 thousand together with interest due in the total of PLN 1,730 thousand.

On 26 April 2012, the Company made an early repayment of loans obtained from Nova Capital Sp. z o.o. with a total value of PLN 7,010 thousand together with accrued interest of PLN 523 thousand.

13. Trade and other receivables

During the 6-month period ended 30 June 2012, the Company granted loans with a total value of PLN 40,000 thousand and EUR 75 thousand, of which:

- to AERO2 Sp. z o.o., short-term loans in the amount of PLN 40,000 thousand,
- to Conpidon LTD (a company operating under Cypriot law), a long-term loan in the amount of EUR 75 thousand.

On 17 February 2012, the Company granted a loan to Aero2 Sp. z o.o. for an amount of PLN 20,000 thousand. This loan is secured and subject to repayment in full together with accrued interest on 31 December 2012. The loan bears interest at WIBOR 1M + 3 pp.

On 4 April 2012, the Company granted a loan to Conpidon LTD for an amount of EUR 75 thousand. This loan is unsecured and subject to repayment in full together with accrued interest on 31 December 2013. The loan bears interest at 3.5 pp.

On 26 April 2012, the Company granted another loan to Aero2 Sp. z o.o. for an amount of PLN 20,000 thousand. This loan is secured and subject to repayment in full together with accrued interest on 31 December 2012. The loan bears interest at WIBOR 1M + 3 pp.

14. Trade and other payables

On 28 February 2012, the Company concluded an agreement with Litenite Limited with its registered office in Nicosia, Cyprus for a mutual netting of settlements (the “Agreement”).

In accordance with the Agreement, on 28 February 2012, the Company and Litenite made a contractual set off of a receivable of PLN 546,864 thousand that was due to the Company from Litenite under its’ obligation to pay for 781,234,152 of the Company’s D class shares, covered by the basic subscription submitted by Litenite on 28 February 2012 at an issue price of PLN 0.70 per share under the public offering of D class shares (closed subscription), against a receivable of PLN 548,000 thousand due from the Company to Litenite in respect of payment of the price for 100% of shares in Conpidon Limited under an agreement for sale of shares in Conpidon Limited with its registered office in Nicosia, Cyprus. As a result of the contractual set off, the above-mentioned receivable due to the Company was written off in full, i.e. in the amount of PLN 546,864 thousand, and the above-mentioned receivable due to Litenite was written off in part, i.e. up to the amount of PLN 1,136 thousand. On 26 April 2012, the Fund paid the remaining amount of PLN 1,136 thousand.

15. Share capital increase

In the 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.

On 18 April 2012, 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.

After registration of the above-mentioned change, the Fund's share capital amounts to PLN 147,966,675.00 and is divided into 1,479,666,750 ordinary bearer shares with a nominal value of PLN 0.10 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 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.

As a result of the issue of D class shares, the company acquired PLN 828,614 thousand of capital, while the transaction costs amounted to PLN 4,494 thousand. The Company received cash in the amount of PLN 281,750 thousand, while the remaining PLN 546,864 thousand was set off against the Company's liability to Litenite Limited. The method of settlement has been described in Note 14.

16. Financial risk management objectives and policies

During the 6-month period ended 30 June 2012, the Company did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk compared with those described in the 2011 annual standalone financial statements.

17. Capital management

During the 6-month period ended 30 June 2012, the Company did not change its goals, principles or procedures for managing capital compared with the data disclosed in the 2011 annual standalone financial statements.

18. Contingent liabilities and contingent assets

In the 6-month period ended 30 June 2012, there were no changes in contingent liabilities or contingent assets compared with the data disclosed in the 2011annual standalone financial statements.

19. Capex liabilities

As at 30 June 2012 and as at 31 December 2011, the Company did not incur any capex liabilities that have not been disclosed in these financial statements.

20. Related party disclosures

The tables below presents the total value of transactions with related parties entered into during the 6-month periods ended 30 June 2012 and 30 June 2011, and the balances of receivables and payables as at 30 June 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***
	2012	916	–	862	54	92	74	–	18
CenterNet	*2011*	–	–	–	–	301	244	44	13
Mobyland*	*2012*	–	–	–	–	859	859	–	–

	2011	–	–	–	–	137	137	–	–
Nova Capital	*2012*	–	–	–	–	122	–	122	–
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aero2	*2012*	1 621	–	1 621	–	55	–	–	55
	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*	–	–	–	–	63	–	–	63
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inwestycje Polskie	*2012*	–	–	–	–	211	–	–	211
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Polkomtel	*2012*	–	–	–	–	6	–	–	6
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nova Capital	*2012*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	–	–	–	–	140	–	140	–
Aero2	*2012*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	–	–	–	–	182	–	108	74
Mobyland*	*2012*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	–	–	–	–	652	652	–	–
INVEST-BANK	*2012*	–	–	–	–	–	–	–	–
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Subsidiaries:		***Receivables from related parties, of which:***	***trade receivables***	***loans***	***other***	***Payables to related parties, of which:***	***trade payables***	***loans***	***commercial papers***
CenterNet	*2012*	23 121	–	23 121	–	3 166	76	–	3 090
	2011	22 265	5	22 260	–	3 035	19	–	3 016
Mobyland*	*2012*	–	–	–	–	21 864	–	–	21 864
	2011	5	5	–	–	21 005	–	–	21 005
Nova Capital	*2012*	–	–	–	–	–	–	–	–
	2011	–	–	–	–	7 411	–	7 411	–
Aero2	*2012*	60 637	–	60 637	–	4	4	–	–
	2011	19 816	5	19 016	795	16	16	–	–

Other related parties:		***Receivables from related parties, of which:***	***trade receivables***	***loans***	***other***	***Payables to related parties, of which:***	***trade payables***	***loans***	***commercial papers***
Sferia	*2012*	–	–	–	–	12	12	–	–
	2011	–	–	–	–	12	12	–	–
Litenite	*2012*	–	–	–	–	–	–	–	–
	2011	–	–	–	–	548 000	–	–	548 000
Polkomtel	*2012*	–	–	–	–	0	0	–	–
	2011	–	–	–	–	–	–	–	–

*In the comparative data for 2011, Mobyland is presented as a subsidiary for the period from 6 June 2011 to 30 June 2011, and as other related party for the period from 1 January 2011 to 5 June 2011.

21. Events after the reporting period

On 6 July 2012 the Provincial Administrative Court in Warsaw (Wojewódzki Sąd Administracyjny - WSA) passed a judgement in case No. VI SA/Wa 2257/11, in which it reversed the Decision of the President of UKE (Electronic Communications Office) dated 23 September 2011, No. DZC-WAP-5174-9/07 (352), concerning cancelation of the Tender in the part relating to the assessment of the PTC’s bid as well as the previous Decision of the President of UKE dated 13 June 2011, No. DZC-WAP-5174-9/07 (321). The Fund published information about the judgement in the current report No. 33/2012.

The aforementioned judgement of WSA is not final. Both the President of UKE and the participants of the proceeding may file a cassation appeal against WSA’s judgement with the Supreme Administrative Court (NSA) within 30 days after receiving WSA’s judgement including written justification.

Currently, the Fund, the Fund's subsidiaries and their attorneys are waiting to receive copies of WSA’s judgement together with the justification. After analysing those, a decision concerning further legal actions in the discussed case will be made.

The Management Board of the Fund maintains its previous risk assessment of losing the 1800 MHz frequencies held by CenterNet and Mobyland.

In the opinion of the Management Board, the above proceeding should not have a significant negative impact on the financial position of the Midas Group. The above proceeding, as well as the risk of losing the 1800 MHz frequencies, are described in detail in the Directors’ Report of the NFI Midas S.A. Capital Group for the first half of 2012 (sections 6 and 4.8, respectively).

On 26 July 2012, the Supreme Administrative Court (Naczelny Sąd Administracyjny - “NSA") issued a judgement in which it overruled the whole of the judgement of WSA dated 11 February 2011 and remanded the case for reconsideration by WSA. Information about the proceeding in the matter of cancelation of the tender, which NSA’s judgement concerns, was included in section 6 of the Directors’ Report of the NFI Midas S.A. Capital Group for the first half of 2012.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Wojciech Pytel	Maciej Kotlicki	Krzysztof Adaszewski
/President of the Management Board/	/Member of the Management Board/	/Member of the Management Board/

SIGNATURE OF THE PERSON KEEPING THE BOOKS OF ACCOUNT

Teresa Rogala
/ on behalf of Sferia
Spółka Akcyjna/

Warsaw, 31 August 2012