Report
of the Capital Group
# of Narodowy Fundusz Inwestycyjny
MIDAS
Spółka Akcyjna
for the first half of 2012

Warsaw, 31 August 2012

1 Basic information on the NFI Midas S.A. Capital Group

1.1 Structure of the Midas Capital Group

The parent company of the NFI Midas S.A. Capital Group ("Midas Group") is Narodowy Fundusz Inwestycyjny Midas Spółka Akcyjna ("Fund" or "Issuer"), established on 15 December 1994 on the basis of the Act on National Investment Funds and Their Privatisation of 30 April 1993 (Journal of Laws No. 44 item 202 as amended) ("NFI Act") and operating on the basis of the provisions of that Act and the Commercial Companies Code ("CCC"). The Fund is entered in the District Court in Warsaw, 12th Commercial Department of the National Court Register, Entry No. KRS 0000025704. The registered office of the Fund is in the city of Warsaw.

The business activities of the Fund comprise:
1) financial holding activity (64.20.Z)
2) other forms of granting loans (64.92.Z)
3) other financial services activities not elsewhere classified, except for insurance and pension funds (64.99.Z)
4) other activities auxiliary to financial services, except for insurance and pension funds (66.19.Z),
5) purchase and sale of real estate on own account (68.10.Z).

The parent company and other Group entities have an unlimited period of operation.

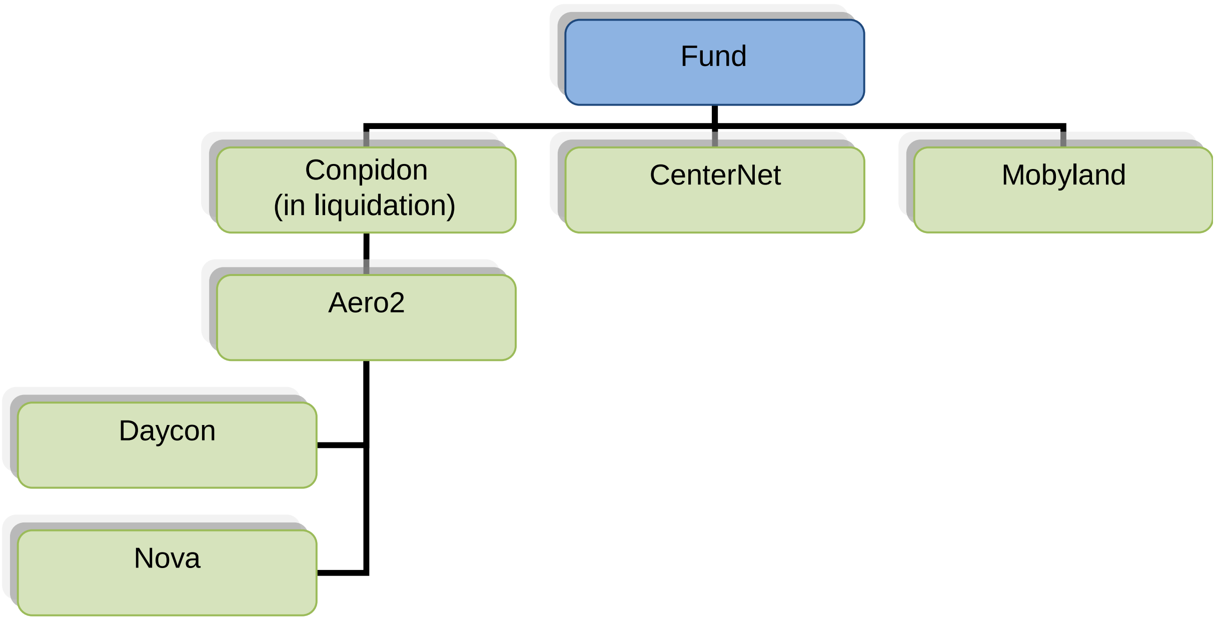
The main area of the Midas Group business activities is telecommunications activities conducted within the territory of Poland.

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

As at 30 June 2012, the Midas Capital Group was composed of the Fund and the following subsidiaries:

- CenterNet Spółka Akcyjna with its registered office in Warsaw ("CenterNet"),
- Mobyland Spółka z o.o. with its registered office in Warsaw ("Mobyland"),
- Conpidon Limited with its registered office in Nicosia, Cyprus ("Conpidon"),
- Aero2 Spółka z o.o. with its registered office in Warsaw ("Aero2"),
- Daycon Trading Limited with its registered office in Nicosia, Cyprus ("Daycon"),
- Nova Capital Spółka z o.o. with its registered office in Warsaw ("Nova").

The diagram below shows the structure of the Midas Capital Group as at the date of publication of this report. As at 30 June 2012, the Fund held a 100-per cent share in equity and in the total number of votes in relation to the companies: CenterNet, Mobyland, Conpidon, Aero2 and Daycon. The Fund's share in the equity of the company Nova was 42.63%, providing entitlement to 50.03% of the total number of votes.



1.2 Changes in the structure of the Midas Capital Group with an indication of consequences

In the first half of 2012, there were no significant changes in the structure of the Midas Capital Group.

In 2012, the subsidiaries of CenterNet: Xebra Limited (in liquidation), Advantage Cellular Communications Limited (in liquidation) and Extreme Mobile Limited (in liquidation) were finally deleted from the register of entrepreneurs maintained on the basis of British law. That fact did not affect the financial position and results of the Midas Capital Group, given that since 2009 those companies have not been subject to consolidation.

A liquidator in the person of Marios Lazarou was appointed on the basis of a resolution of the General Meeting of Shareholders of Conpidon dated 13 July 2012 (an event after the reporting period). The decision to commence the liquidation of Conpidon was made in connection with the intention to simplify the structure of the Midas Capital Group. As a result of the liquidation of Conpidon, the direct shareholder of Aero2 is now the Fund.

1.3 Entities subject to consolidation

The entities of the Midas Capital Group subject to full consolidation for the needs of preparing the consolidated financial statements of the Midas Capital Group are: the Fund, CenterNet, Mobyland, Conpidon, Aero2, Daycon and Nova.

1.4 Shareholding structure

The table below shows the structure of shareholders of the Fund which, as at the date of this report, i.e. 31 August 2012, hold either directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of Shareholders. The summary below was prepared on the basis of notifications obtained from shareholders in accordance with Article 69 of the Act on Public Offerings, Conditions of Introducing Financial Instruments to Organised Trade System and on Public Companies of 29 July 2005 (“Act on Offerings”).

Name of shareholder Fund	Number of shares	%	Number of votes	%
Zygmunt Solorz-Żak (*) (**)	976,530,159	65.9966	976,530,159	65.9966
ING OFE	74,386,458	5.0272	74,386,458	5.0272
Other shareholders	428,750,133	28.9761	428,750,133	28.9761
Shares in the Fund	**1,479,666,750**	**100.00**	**1,479,666,750**	**100.00**

(*) Mr Zygmunt Solorz-Żak, acting as 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, within the scope of 976,525,159 shares in the Fund held by Litenite, as well as through (iv) the Fund, within the scope of 5,000 own shares in the Fund held by the Fund.
(**) The number of shares and votes takes account of 5,000 own shares of the Fund held indirectly by Litenite Limited, where, in accordance with Article 364 of the Commercial Companies Code, NFI Midas S.A. does not exercise voting rights from the own shares it holds.

1.5 Changes in the structure of ownership of significant share blocks in the period following the publication of the previous quarterly report

Since the publication of the last quarterly report of the Fund, 15 May 2012, up to the date of publication of this report, 31 August 2012, the Fund has received one notification under the procedure of Article 69 of the Act on Offerings. That notification was submitted by ING Otwarty Fundusz Emerytalny in connection with an increase in the number of shares it holds in the Fund to above 5 per cent of the total number of votes at the General Meeting of Shareholders.

In accordance with the notification received, as a result of a purchase of shares in the Fund settled on 24 July 2012, on 27 July 2012, 74,386,458 shares in the Fund constituting 5.03% of the share capital of the Fund were located on the securities account of ING Otwarty Fundusz Emerytalny. These shares give the right to 74,386,458 votes at the General Meeting of Shareholders of the Fund, constituting 5.03% of the total number of votes. The content of the notification received was published in current report No. 38/2012 of 30 July 2012.

1.6 Summary of possession of shares in the Issuer, entitlements to these by managerial and supervisory personnel of the Issuer

The table below presents a summary of the shares in the Fund held by managerial and supervisory personnel as at the date of publication of this report, 31 August 2012, together with changes since the date of publication of the last quarterly report on 15 May 2012.

The direct state of possession of shares in the Fund by managerial and supervisory personnel:

Name and surname	Position	Shares in the Fund held as at 31.08.2012	Change	Shares in the Fund held as at 15.05.2012
Zygmunt Solorz-Żak (*)	Chairman of the Supervisory Board	none held	-	none held
Krzysztof Majkowski	Vice Chairman of the Supervisory Board	237,000	-	237,000
Andrzej Abramczuk	Secretary of the Supervisory Board	none	-	none
Andrzej Chajec (**)	Member of the Supervisory Board	none	-	none
Mirosław Mikołajczyk	Member of the Supervisory Board	none	-	none
Jerzy Żurek	Member of the Supervisory Board	none	-	none

Wojciech Pytel	President of the Management Board	none	-	none
Maciej Kotlicki	Member of the Management Board	none	-	none
Krzysztof Adaszewski	Member of the Management Board	none	-	none

(*) 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 in 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, within the scope of 976,525,159 shares in the Fund held by Litenite, as well as through (iv) the Fund, within the scope of 5,000 shares in the Fund held by the Fund.
(**) A person closely-related to Mr Andrzej Chajec in the meaning of Article 160 par. 2 of the Act on Trading in Financial Instruments of 29 July 2005 holds 50 shares in the Fund.

At the same time, the Fund announces that managerial and supervisory personnel do not possess entitlements to shares in the Fund.

2 Rules for preparing the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), in particular in accordance with International Accounting Standard No. 34 and the IFRS endorsed by the European Union. As at the day of approving these statements, taking account of the process ongoing in the EU of introducing the IFRS and of the activity conducted by the Midas Group, within the scope of the accounting principles applied by the Midas Group, there are no differences between the IFRS which have come into force and the IFRS 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").

interim condensed consolidated financial statements are presented in Polish zlotys ("PLN"), and all values are given in thousands of PLN except where otherwise indicated.

The interim condensed consolidated financial statements have been prepared on the assumption that the business activities of the Midas Group will continue in the foreseeable future. As at the day on which the interim condensed consolidated financial statements were authorised, no circumstances were found which would indicate a threat to the continued activity of the Midas Capital Group.

The interim condensed consolidated financial statements do not include all information and disclosures required in annual financial statements, and they should be read in conjunction with the financial statements of the Midas Capital Group for the year ended 31 December 2011 published on 20 March 2012.

The accounting principles 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 IFRS 7 *Financial Instruments: Disclosures: Transfer of Financial Assets* - which apply for annual periods beginning on or after 1 July 2011.

The new standards and amendments to the standards which have been published but had not entered into force by the day on which the financial statements were authorised are described in Note 3 to the interim condensed consolidated financial statements for the 6-month period ended 30 June 2012.

3 Basic risks and threats to the Midas Capital Group

3.1 Risk of a change in the Midas Capital Group's strategy

The Midas Capital Group implements an investment strategy in the telecommunications industry. Given the high level of competition in that industry and the high degree of innovation among technologies offered, there is a risk that it may prove necessary to amend that strategy. For this reason, the Midas Capital Group cannot guarantee that its strategic initiatives will bring positive results, or that, if they do not, there will be no negative impact on the operations of the Midas Capital Group or its financial position or results achieved.

3.2 Risk in connection with financing

In connection with the approval of a strategy relating to the telecommunications industry, the Midas Capital Group incurs and will need to further incur significant investment expenditures relating to the continuation of its operations in that industry. Therefore, the Midas Capital Group must obtain additional financing from financial institutions, shareholders or other entities. The Midas Capital Group cannot guarantee that such financing will be available under acceptable market conditions, or that it will be made available. In the case where it is not possible to obtain such financing, the Midas Capital Group would have to significantly modify its plans within the scope of financing projects already begun.

3.3 Competition risk

In the telecommunications services industry, the Midas Capital Group's main competitors are operators of mobile and landline telephony networks. Those operators may compete against the services currently offered by the Midas Capital Group or planned for the future, by means of pricing, scope and quality of services, as well as additional services. Nor can it be ruled out that new operators of mobile and landline telephony networks may appear which will also compete against the Midas Capital Group. An additional source of competition may also be virtual operators which have begun or may begin providing services.

3.4 Technological risk

The telecommunications sector is an area of rapid technological changes. In designing and building its networks and IT systems, the Midas Capital Group employs the latest technological solutions, including LTE technology. However, it cannot be predicted what effect technological changes in the field of mobile telephony, wireless transmission, internet voice communication protocol or telephony using cable television may have on the operations of the Midas Capital Group. Even if the Midas Capital Group manages to adapt its operations to such technological changes, there is no guarantee that new market players will not appear which, using such technological changes, may be more competitive than the Midas Group, or that current market players will not make better use of the opportunities new technological solutions bring.

It is also not possible to foresee the risks connected with LTE technology itself or possible delays in its standardisation and implementation, or the development of end devices in that technology.

In addition, the following also exist: the risk of delays in constructing the radio (transmission-reception) network, in particular in connection with the risk of delays in the licensing process (obtaining radio licenses), the risk of a lack of continuity of service in the networks CenterNet and Mobyland use in providing services (disruptions in network operation caused, for example, by equipment malfunctions or human error).

Such circumstances may have a significant negative impact on the operations and financial results of the Midas Capital Group.

3.5 Risk of departure of key management personnel and the difficulty in recruiting new qualified supervisory personnel

The operations of the Midas Capital Group are dependent on the quality of the work of its employees and managers. The Management Board of the Fund cannot guarantee that the possible departure of some managers or the possible inability to find personnel having appropriate knowledge and experience in managing and operations will not have a negative impact on the operations, financial conditions and results of the Midas Capital Group. Such circumstances may arise, in particular, as a result of a departure caused by a conflict of interests.

Changes in the composition of managerial staff may disrupt the operations of the Midas Capital Group or have a significant negative impact on the operations and financial results of the Midas Capital Group.

3.6 Risk of losing significant suppliers

The operations of the Midas Capital Group depend on cooperation with suppliers of infrastructure, including with regard to expanding and maintaining the LTE network. The end of cooperation with significant suppliers, or the non-performance or improper performance of liabilities by suppliers towards the Midas Capital Group, or a failure of suppliers to provide a network of suitable capacity (including appropriate network capacity in a given location) may lead to a failure or restricted capacity on the part of Aero2, CenterNet or Mobyland to provide telecommunications operator services, and a failure to meet the requirements relating to frequency reservations, and this may in turn have a significant negative impact on the operations and financial results of the Midas Capital Group.

3.7 Customer risk

The Midas Capital Group provides wholesale services of selling broadband mobile internet access. The risk exists that the Midas Capital Group will not obtain enough customers to guarantee the purchase of its network capacity, while at the same time the Midas Capital Group incurs fixed costs in connection with maintaining the possibility of providing such services, and this may have a significant negative impact on the operations and financial results of the Midas Capital Group.

3.8 Risk of loss of frequency reservations

CenterNet and Mobyland, each individually, hold reservations for frequencies in the 1800 MHz band. In addition, Aero2 holds a frequency reservation in the 900 MHz and 2600 MHz bands. If Aero2, CenterNet or Mobyland lose the frequency reservations they hold, this will mean they will not be able to provide telecommunications operator services, in particular services in LTE technology which require using both frequencies belonging to the companies CenterNet and Mobyland, as well as in HSPA+ technology, which requires using the frequency belonging to Aero2. This would have a significant negative impact on the operations and financial results of the Midas Capital Group.

In the case where Aero2, CenterNet or Mobyland lose their frequency reservations and a new decision on those frequencies is issued, there is a risk that one or both of those frequencies could be reserved for the benefit of an entity or entities other than Aero2, CenterNet and Mobyland.

In the case of a loss of frequency reservations, there is also a risk that the companies from the Midas Capital Group will not obtain compensation (return of expenses incurred and lost benefits) from the State Treasury. Moreover, any compensation eventually obtained from the State Treasury may not fully cover the expenses incurred or benefits lost.

3.9 Risk of a change in rates for completing connections in mobile networks (MTR) and other rules of cooperation with other mobile telephony network operators (MNO)

There is a risk that the existing rates for completing connections in mobile networks (MTR) may change for Aero2, CenterNet and Mobyland, on the basis of the position and administrative decisions of the

President of the Office of Electronic Communications (Urząd Komunikacji Elektronicznej, "UKE"). There is also a risk of changes of other rules of cooperation between Aero2, CenterNet and Mobyland with other mobile telephony network operators (MNO) established by an administrative decision, in particular of the rates for completing text messaging services.

The above changes may be caused by changes in the positions of the relevant authorities at the national (President of the UKE) or European level. Changes may also be caused by an amendment, dismissal or invalidation of such rules as a result of a court or administrative proceeding, or by an administrative decision or renewal of a proceeding previously concluded with the issue of such a decision.

Such changes may also result from a change in the competitive position of the Midas Capital Group, i.e. by obtaining total market shares making it possible to effectively compete with incumbent operators, which may cause a verification of asymmetry for Aero2, CenterNet or Mobyland.

The above circumstances may also concern Aero2, CenterNet and Mobyland, as well as their suppliers which are mobile telephony network operators (MNO).

Such circumstances may have a significant negative impact on the operations and financial results of the Midas Captial Group.

3.10 Risk in connection with a failure to implement the business model

The Group has prepared a business model based on cooperation with three groups of entities:

1. an infrastructure operator - Aero2, which builds telecommunications infrastructure and creates HSPA+ capacity (900 MHz) and LTE capacity (2600 MHz);
2. a wholesale operator - Mobyland, which, on the basis of: Aero2 infrastructure, frequencies held by CenterNet and its own frequencies, creates LTE capacity (1800 MHz) and sells HSPA+/LTE capacity wholesale to entities having large customer bases;
3. entities having large customer bases engaged in retail selling.

This model entails two risks:

1. the risk that Aero2 will not complete the construction of its infrastructure on time;
2. the risk that sales to end customers by the entities referred to in pt. 3) above will not reach an appropriate level, resulting in few wholesale orders.

The fulfilment of either of the above risks could have a significant negative impact on the operations and financial results of the Midas Capital Group.

4 Growth prospects in the second half of 2012

The most important factors affecting the development of the Midas Capital Group in the second half of 2012 are obtaining debt financing for the needs of further developing elements of the telecommunications network, and selecting further suppliers of telecommunications infrastructure. In accordance with the strategic plans of the Midas Capital Group, the most important areas of the Group's commercial development will be: further development of the telecommunications network, and continuation of data transmission services in Poland using the frequencies obtained under a tender. The Management Board of the Fund continually analyses the business model in the context of its effectiveness and adequacy in the changing environment, and therefore does not rule out changing that model.

5 Indication of proceedings pending before a court, competent authority for arbitration proceeding or public administration authority.

The information below concerns pending proceedings which are significant in terms of the operations of the Midas Capital Group, and constitutes a supplement of the description of proceedings contained in the

Directors' Report of the NFI Midas SA Capital Group for 2011 (published on 20 March 2012) on events from the first half of 2012.

Proceedings concerning frequency reservations for CenterNet and Mobyland:

In a case pending before the Provincial Administrative Court in Warsaw (Wojewódzki Sąd Administracyjny - "WSA") under case file No. VI SA Wa 2335/08 ("Proceeding 2335/08"), by a judgement of 21 July 2009, the WSA reversed a decision by the President of UKE dated 29 August 2008, No. DZC-WAP-5174-9/07(182), and 28 November 2007, No. DZC-WAP-5174-9/07(37), in which the President of the UKE refused (in the first instance and after a motion for reconsideration of the matter) to invalidate a tender in the matter of frequency reservations granted to CenterNet and Mobyland. In a judgement dated 6 July 2012, case file No. VI SA/Wa 2257/11, the WSA reversed a decision of the President of UKE dated 23 August 2011 and 13 June 2011 ("First and Second Decision of the President of the UKE") invalidating the tender within the scope concerning assessment of the offer from PTC. In a verbal justification, the WSA stated that the functional interpretation applied by the President of the UKE with respect to the scope of invalidation of the tender is not a decisive interpretation, and shaping administrative decisions concerning the Tender and the literal interpretation compliant with the provisions of the Telecommunication Law of 16 July 2004 should be applied first. Further, the WSA stated that, while resolving the above issue, it did not analyse the motivations and correctness of actions of the President of the UKE when issuing the First and Second Decision of the President of UKE. At the same time, the Fund stresses that because of the fact that the above-mentioned proceeding is mainly directed against administrative decisions issued by the President of the UKE, the subsidiaries of the Fund (CenterNet and Mobyland) participate in it as interested parties.Currently, the companies CenterNet and Mobyland are waiting for a written justification of the judgement, after the receipt of which they will be entitled to submit a cassation appeal to the Supreme Administrative Court.

In a judgement of 11 February 2011, case file No. VI SA/Wa 1185/09, the WSA reversed a decision by the President of the UKE dated 23 April 2009, No. DZC-WAP-5174-6/07 (190) granting CenterNet and Mobyland a frequency reservation in the range of 1710-1730 and 1805-1825 MHz. On 26 July 2012, a judgement favourable for the Companies was handed down by the Supreme Administrative Court (Naczelny Sąd Administracyjny, "NSA") (case file No. II Gsk 1257/11), in which the judgement of first instance was overturned in its entirety and the matter was referred for reconsideration by the WSA. In verbal justification of that judgement, the NSA shared the opinion that the evidence in the case allowed a reliable determination that Mobyland is actually, from the legal point of view, the same company which previously operated under the name Tolpis Sp. z o.o. ("Tolpis"), because Mobyland was established as a result of a change of the name of the company Tolpis. In such circumstances, in the opinion of the NSA, there were no reasonably justified premises for the WSA to doubt the capacity of Mobyland to exercise the rights, in the reservation proceedings, which had been previously acquired during the tender as a result of an offer in the tender being submitted by the company Tolpis, still operating then under its original name. The NSA also stated that, contrary to the position of the WSA, there were no doubts concerning the possibility of effective representation, in the reservation proceeding, of the company operating under the name Tolpis Sp. z o.o. and then using a new name, Mobyland, by the member of its management board, who was appointed to this position after the adoption of the resolution concerning the change of the name of the company, but before the registration of that change in the National Court Register. The NSA also stated that, in the present conditions, there were no circumstances revealed that would actually prove a lack of capacity of this company to meet the obligations connected with using the granted frequencies at the moment the President of the UKE reconsidered the case for granting a frequency reservation to CenterNet and Mobyland and which could therefore justify the need of the WSA to reverse the decision of the President of the UKE in order to ascertain whether there were any premises justifying a refusal to grant the above-mentioned reservations.

In the opinion of the Management Board of the Fund, the above judgement means, among others, the revalidation of the decisions of the President of the UKE which were reversed on the basis of the judgement of the WSA and whose enforcement was therefore suspended. Therefore, the subsidiaries of the Fund - CenterNet and Mobyland - may fully operate the frequencies granted to them under the decision of the President of the UKE and thus continue to carry out the strategy of the Fund. Pursuant to the judgement of the NSA, this case will be reconsidered by the WSA. Therefore, CenterNet and Mobyland, as participants in such proceeding, will take legal actions appropriate in the circumstances.

Currently, the Companies are waiting for the judgements from the WSA and the NSA together with their justifications in order to analyse them and take legal action appropriate to the circumstances.

Proceedings concerning frequency reservations for Aero2:

The matters in the proceeding concerning frequency reservations within the range of 885.1 - 890.1 MHz and 930.1 - 935.1 MHz, and in the proceeding for invalidation of the tender concerning the reservation of those frequencies, about which the Fund reported in the Directors' Report of the NFI Midas S.A. Capital Group for 2011 published on 20 March 2012, are still awaiting consideration by the NSA.

6 Information on the Fund or subsidiary concluding one or more transactions with related parties

In the first half of 2012, neither the Fund nor its subsidiaries concluded significant transactions with related parties on conditions other than market conditions.

7 Information on the Fund or subsidiary concluding granting sureties of loans borrowings or guarantees

In the first half of 2012, companies from the Midas Capital Group did not grant to any entity any sureties of loans, borrowings or guarantees whose value exceeded 10% of the Fund's equity.

8 Position of the Management Board on previously published forecasts

The Fund did not publish forecasts of financial results for 2012.

9 Significant events and agreements concluded by the Midas Capital Group

Receipt of an order from Cyfrowy Polsat:

On 23 January 2012, Cyfrowy Polsat S.A. ("Cyfrowy Polsat") submitted to Mobyland order No. 2 (the "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 ("the 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 prolonging 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 the receipt of the order in current report No. 4/2012 of 24 January 2012.

Agreement on a mutual offset of receivables with Litenite Limited:

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 thousand due to Litenite from the Fund. As a result of the contractual offset, the above receivable due to the Fund was written off in full, i.e. in the amount of PLN 546,863,906.40, and the above receivable due to Litenite was written off in part, i.e. to the amount of PLN 1,136,093.60. The remainder of the receivable to be paid to Litenite by the Fund as referred to in the previous sentence was paid by the Fund on 26 April 2012. That payment constituted the final settlement of the above agreement for the sale of ownership interests in the company 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 Agreement on the mutual offset of receivables 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, 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 the company 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 Fund published information on the conclusion of the agreement in current report No. 14/2012 of 28 February 2012. The Fund published information on the mutual offset of receivables in current report No. 26/2012 dated 26 April 2012.

Agreement for the provision of telecommunications services under wholesale conditions with Polkomtel:

On 9 March 2012, Mobyland concluded an agreement with Polkomtel S.A. ("Polkomtel") for the provision of
telecommunications services under wholesale conditions (the "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 dated 9 March 2012.

Cooperation agreement within the scope of mutual services with Polkomtel:

On 30 March 2012, Aero2 concluded a cooperation agreement with Polkomtel for the mutual provision of
services for the use of telecommunications infrastructure (the "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 five 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 current report No. 22/2012 dated 30 March 2012.

On 21 March 2012 and 22 June 2012, Aero2 submitted further orders to Polkomtel for RAN services under the cooperation agreement within the scope of providing services using telecommunications infrastructure of 30 March 2012. The total estimated value of those orders is PLN 70,560 thousand.

Share capital increase:

In the first half-year of 2012, the Fund successfully conducted a public offering of 1,183,733,400 D class ordinary bearer shares having a nominal value of PLN 0.10 each. The issue was conducted in observance of the pre-emptive right of existing shareholders. Each existing share gave 1 pre-emptive right to take up 4 new shares in the issue. The issue price established by the Management Board, with the consent of the Supervisory Board, was PLN 0.70. On 18 April 2012, the District Court for the City of Warsaw, 12th Commercial Department of the National Court Register, registered the increase in 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.

In connection with the foregoing, as at the date of the publication of this 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 nominal value of PLN 0.10 each, including, of which:
- 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 up in full and registered with the National Court Register. The Fund published information on the share capital increase and the associated amendment of the Company's Statute in current report No. 24/2012 dated 19 April 2012.

Early redemption of debt securities:

On 26 April 2012, the Fund exercised its right and performed an early redemption of commercial papers marked MID0612.1, MID0612.2 and MID0612.3 (the "Papers") issued as appropriate 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 thousand, which included PLN 71,500 thousand, the nominal value of the Papers, and PLN 354 thousand of interest due for the period from 1 April 2012 to 26 April 2012. The early redemption of the Bonds 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 dated 26 April 2012.

Loans granted to Aero2:

In the first half of 2012, the Fund granted Aero2 two loans, each in the amount of PLN 20,000 thousand. The interest rate of the loans is equal to WIBOR 1M +3 percentage points annually, and the maturity date is 31 December 2012. The loans were granted for the purpose of financing investments made by Aero2 and constitute an element of implementing the third goal of the D class share issue, that is, the development of a telecommunications network within the framework of projects 700 and 4100. The Fund published information on the granting of the loans to Aero2 in current reports No. 13/2012 dated 17 February 2012 and No. 28/2012 dated 26 April 2012.

Agreement between Aero2 and Ericsson Sp. z o.o.:

On 23 July 2012 (an event after the reporting period), Aero2, acting jointly with Polkomtel Sp. z o.o. (jointly the "Buyer") concluded an agreement with Ericsson Sp. z o.o. (the "Supplier") for the delivery,

integration and maintenance of elements of an access telecommunications network of the mobile type ("Framework Agreement") and a maintenance agreement ("Maintenance Agreement"). The subject of the Framework Agreement is specification of the rules for the performance of the following services by Ericsson for the Buyer:
1) delivery, installation (together with possible disassembly of the presently operated elements of the Buyer's telecommunications network) and launching of Products and Software, as well as their further integration with the telecommunications network of the Buyer, disassembly and relocation of replaced products, including in particular replacement of the core network - on the basis of subsequent Delivery Orders,
2) granting rights to use the Software,
3) training;
4) development of the Buyer's telecommunications network,
5) other additional services (including delivery, implementation and integration of Products) ordered by the Buyer.

In turn, the subject of the Maintenance Agreement is the provision of the following services by Ericsson:
1) Base Services for the devices in the Guarantee Period,
2) all Services additionally ordered by the Buyer in the Guarantee Period and later.

Pursuant to the Framework Agreement, the services rendered by Ericsson within the scope of delivery, installation (together with possible disassembly of the presently operated elements of the Buyer's telecommunications network) and launching of Products, as well as their further integration with Buyer's network, will be performed on the basis of Delivery Orders.

The conclusion of the above agreements constitutes another step in carrying out the Fund's strategy, and contributes to the third goal of the D class share issue, that is, the development of the telecommunications network. Details on the above agreements were published in current report No. 35/2012 dated 23 July 2012.

10 Other information which, in the opinion of the Issuer, 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 Issuer discharging its liabilities

In the opinion of the Management Board of the Fund, in the first half of 2012 there was no information other than that disclosed in this report which was significant to an evaluation of the Fund's staffing, asset and financial position, its financial result and changes thereof, nor was there any information significant to an evaluation of the possibility of the Fund discharging its liabilities.

11 Factors which, in the Issuer's opinion, will affect the results it achieves over at least the next quarter

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

1. the receipt on 26 July 2012 of a favourable judgement from the NSA in the matter of frequency reservations for CenterNet and Mobyland,
2. obtaining debt financing for the needs of developing a telecommunications network,
3. the selection of suppliers of telecommunications infrastructure,
4. the continued development of the telecommunications network,
5. the degree of use of data transmission services orders by wholesale customers of the Midas Capital Group.

12 Investor relations

As a company listed on the Warsaw Stock Exchange, the Fund makes every effort to implement an information policy which is transparent. The Management Board of the Fund pursues that goal mainly by prompt publication of current and periodic reports prepared in a manner which is true, reliable and complete, and which makes it possible for Investors to evaluate the impact of the information provided on the economic, asset and financial position of the Fund. Another important element of communication with current and potential Shareholders of the Fund is the Fund's website, available at www.midasnfi.pl, where there is such information as current and periodic reports, announcements of convening the General Meeting of Shareholders, and reports on other all important events in the Midas Capital Group.

In the first half of 2012, the Management Board of the Fund took an active role in meetings with Analysts and representatives of Institutional Investors; these took place in the form of 'roadshows' in connection with the issue of D class shares in the Fund. Moreover, in the FAQ published on the Fund's website, the Management Board of the Fund has answered the most frequent questions Individual Investors have asked in connection with the D class share issue. The Fund also took part in June 2012 in the Wall Street 2012 conference organised by the Association of Individual Investors (Stowarzyszenie Inwestorów Indywidualnych), during which Investors had the opportunity to familiarise themselves with the Fund's current presentation and to talk face-to-face with its representatives.

In order to improve the quality of communication between the Fund and Investors, the Management Board of the Fund will publish presentations on its website briefly addressing the most significant events in the Fund's market environment, important achievements and setbacks of the Midas Group, as well as its plans and prospects for the future, after the publication of each periodic report. In addition, after reports are published (both current and periodic), the Fund plans to publish them on its website immediately after they have been translated into English. At present, work is ongoing on translating the Fund's website into English; this should be completed in Q3 2012.

Furthermore, after the publication of the interim and annual reports, the Management Board of the Fund plans to organise an "Investor Day", that is, meetings with Investors in which the Midas Capital Group financial results contained in reports will be presented and discussed, and questions concerning the implementation of the Fund's and the Midas Capital Group's business strategies answered.

13 Information on the entity authorised to audit the financial statements.

The audit of the financial statements of the Fund and the consolidated statements of the Midas Capital Group for the first half of 2012 was conducted by the company Ernst & Young Audit Sp. z o.o.

Ernst & Young Audit Sp. z o.o. is entered on the list of entities authorised to audit financial statements by the National Council of Statutory Auditors under number 130.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD

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Wojciech Pytel

President of the Management Board

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Maciej Kotlicki
Member of the Management Board

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Krzysztof Adaszewski
Member of the Management Board

Warsaw, 31 August 2012