



Dear Shareholders,

On behalf of the Management Board of Midas S.A., I provide you with the 2012 financial statements of the Midas S.A. Capital Group. This document summarises the financial performance and major events concerning the Midas S.A. Group during that period.

The past year was a time of tremendous effort for the Group. The Group was primarily focused on expanding the telecommunications infrastructure and acquiring financing for this purpose.

As part of the efforts to obtain the said financing for the Group, in the first half of 2012, Midas S.A. successfully issued series D shares, on which it has earned more than PLN 280 million in cash. In the second half of 2012, Midas S.A. and Alior Bank S.A., Bank Zachodni WBK S.A. and Banco Santander S.A. agreed the terms of obtaining loans for over PLN 500 million (Midas S.A. signed the term sheets). The Company concluded a facility agreement with Alior Bank S.A. in February 2013. Furthermore, in December 2012, Midas S.A. signed a framework agreement concerning cooperation with Sferia S.A., who agreed to subscribe the bonds issued by Midas S.A., as a result of which Midas S.A. would obtain approximately PLN 200 million.

At this point, the Group has practically acquired all of the financing required to complete Phase 2 of the network expansion.

As part of expanding the infrastructure, at the end of 2012, the Group had more than 2,200 base stations. By mid-2014, the Group should have more than 4,000 base stations.

The Management Board expects that the infrastructure in its final shape will provide LTE coverage by the Group's network for approximately 66 per cent of the Polish population and HSPA+ for nearly 100 per cent of the population.

I would also like to emphasise the Group's rapidly growing revenues. In 2012, they reached approximately PLN 90 million, having tripled over the previous year. This was, among other things, due to increasing data usage, which at the end of 2012 significantly exceeded 1 million GB per month (detailed information is provided in the Management Report of Midas S.A. on the Group's operations).

The conclusion by the President of the Office of Electronic Communications of the tender concerning frequencies in the 1800 MHz range was found by the Management Board to be a major event that can indirectly affect the Group's position. The Group did not participate in it, but the value of the winning bid, revealed by the Office of Electronic Communications to be approximately PLN 950 million, confirms that the purchase of Mobyland's shares for approximately PLN 177 million was favourable for the Group.

It is also worth noting the pending litigation concerning the Group's frequencies. We do hope, however, that the conclusion will be favourable for the Group and ultimately also for the Shareholders of Midas S.A.

I would like to point out that a significant share of the work on developing the strategy of the Group was done by Mr. Wojciech Pytel, who served as the President of the Management Board of Midas S.A. until 15 December 2012, and currently supports the Management Board as the Chairman of the Supervisory Board of Midas S.A.



Therefore, I would like to express my sincere gratitude to Mr. Wojciech Pytel for his input and work for the benefit of the Group and the Shareholders of Midas S.A. during this period.

On behalf of the entire Management Board, I would also like to thank you for your trust and support and encourage you to familiarise yourselves with the consolidated annual report.

Yours respectfully,

Krzysztof Adaszewski

President of the Management Board