The Capital Group of
MIDAS Spółka Akcyjna

Interim consolidated report
for the 6-month period ended 30 June 2013

PSr 1/2013

Place and date of publication: Warsaw, 2 September 2013

CONTENT OF THE REPORT:

SELECTED FINANCIAL DATA OF THE MIDAS CAPITAL GROUP

	6-month period ended 30 June 2013 in PLN '000	6-month period ended 30 June 2012 in PLN '000	6-month period ended 30 June 2013 in EUR '000	6-month period ended 30 June 2012 in EUR '000
Revenues from sales	92 561	38 918	21 965	9 212
Loss on operating activities	(95 859)	(84 803)	(22 748)	(20 074)
Loss before taxation	(98 394)	(86 272)	(23 349)	(20 422)
Net profit on continuing operations attributable to shareholders of the parent	(79 871)	(82 136)	(18 954)	(19 442)
Net cash flow from operating activities	(97 829)	17 859	(23 215)	4 227
Net cash flow from investing activities	(42 176)	(27 102)	(10 009)	(6 415)
Net cash flow from financing activities	196 347	188 870	46 594	44 708
Average weighted number of shares	1 479 663 960	965 843 406	1 479 663 960	965 843 406
Basic profit (loss) from continuing operations per ordinary share	(0.05)	(0.09)	(0.01)	(0.02)

	As at 30 June 2013 in PLN '000	As at 31 December 2012 in PLN '000	As at 30 June 2013 in EUR '000	As at 31 December 2012 in EUR '000
Total assets	1 491 782	1 420 309	344 586	347 417
Total liabilities	601 977	450 637	139 050	110 229
Non-current liabilities	384 806	169 067	88 886	41 355
Current liabilities	217 171	281 570	50 164	68 874
Equity attributable to shareholders of the parent	889 805	969 672	205 536	237 188
Share capital	147 967	147 967	34 179	36 194

SELECTED FINANCIAL DATA OF MIDAS S.A.

	6-month period ended 30 June 2013 in PLN '000	6-month period ended 30 June 2012 in PLN '000	6-month period ended 30 June 2013 in EUR '000	6-month period ended 30 June 2012 in EUR '000
Revenues from sales	-	-	-	-
Loss on operating activities	(1 280)	(940)	(304)	(223)
Profit before taxation	1 392	2 110	330	499
Net profit on continuing operations attributable to shareholders of the Company	1 392	2 110	330	499
Net cash flow from operating activities	1 225	2 415	291	572
Net cash flow from investing activities	(125 602)	(41 027)	(29 806)	(9 712)
Net cash flow from financing activities	171 632	217 120	40 729	51 395
Average weighted number of shares	1 479 663 960	965 843 406	1 479 663 960	965 843 406
Basic profit on continuing operations per ordinary share	0.0009	0.0022	0.0002	0.0005

	As at 30 June 2013 in PLN '000	As at 31 December 2012 in PLN '000	As at 30 June 2013 in EUR '000	As at 31 December 2012 in EUR '000
Total assets	1 418 916	1 238 270	327 755	302 889
Total liabilities	205 589	26 339	47 489	6 443
Non-current liabilities	205 339	-	47 431	-
Current liabilities	250	26 339	58	6 443
Equity attributable to shareholders of the Company	1 213 327	1 211 931	280 266	296 446
Share capital	147 967	147 967	34 179	36 194

Selected items from the interim condensed consolidated and interim condensed non-consolidated statements of financial position presented in EUR were converted using the average EUR exchange rate announced by the National Bank of Poland on 28 June 2013: 4.3292 PLN/EUR, and on 31 December 2012: 4.0882 PLN/EUR.

Selected items from the interim condensed consolidated and interim condensed non-consolidated statement of comprehensive income and from the interim condensed consolidated and the interim condensed non-consolidated 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 2013 and the 6-month period ended 30 June 2012 (4.2140 PLN/EUR and 4.2246 PLN/EUR respectively).

The Capital Group of
MIDAS Spółka Akcyjna

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2013
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2013

	Note	3-month period ended 30 June 2013 in PLN '000 *(unaudited)*	6-month period ended 30 June 2013 in PLN '000 *(unaudited)*	3-month period ended 30 June 2012 in PLN '000 *(unaudited)*	6-month period ended 30 June 2012 in PLN '000 *(unaudited)*
Continuing operations					
Revenues from sales of goods and services	6	49 605	92 561	20 657	38 918
Depreciation and amortisation	7	(28 122)	(54 121)	(26 365)	(52 230)
Wages and salaries	7	(1 516)	(2 862)	(1 597)	(2 663)
Other costs by type	7	(69 062)	(131 924)	(39 746)	(69 650)
Other operating income	8	1 210	2 333	285	1 688
Other operating expenses	9	(743)	(1 846)	(1 029)	(866)
Loss on operating activities		**(48 628)**	**(95 859)**	**(47 795)**	**(84 803)**
Financial income	10	2 000	3 675	3 649	4 826
Financial costs	11	(5 795)	(6 210)	(2 515)	(6 295)
Profit/ (loss) on financial activities		**(3 795)**	**(2 535)**	**1 134**	**(1 469)**
Loss before taxation		**(52 423)**	**(98 394)**	**(46 661)**	**(86 272)**
Current income tax		-	-	-	-
Deferred tax	12	16 475	18 523	2 047	4 094
Total income tax		**16 475**	**18 523**	**2 047**	**4 094**
Net loss on continuing operations		**(35 948)**	**(79 871)**	**(44 614)**	**(82 178)**
Net profit/ (loss) from discontinued operations		**-**	**-**	**-**	**-**
Net loss		**(35 948)**	**(79 871)**	**(44 614)**	**(82 178)**
Other comprehensive income		**-**	**-**	**-**	**-**
COMPREHENSIVE LOSS		**(35 948)**	**(79 871)**	**(44 614)**	**(82 178)**
Attributable to:					
ownership interests of shareholders of the parent		(35 948)	(79 871)	(44 583)	(82 136)
non-controlling interests		-	-	(31)	(42)
Average weighted number of ordinary shares		1 479 666 188	1 479 663 960	965 843 406	965 843 406
Net loss on continuing operations per 1 share attributable to shareholders of the parent (in PLN)		(0.02)	(0.05)	(0.05)	(0.09)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2013

	Note	30 June 2013 in PLN '000 *(unaudited)*	31 December 2012 in PLN '000 *(audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	13	339 612	309 518
Intangible assets	14	818 069	856 334
goodwill of subsidiaries		41 231	41 231
value of frequency reservations		771 780	809 015
other intangible assets		5 058	6 088
Other financial assets	16	14 352	14 020
Other non-financial assets	16	3 136	8 885
Deferred income tax assets	12	14 427	-
Total non-current assets		**1 189 596**	**1 188 757**
Current assets			
Inventories	17	1 390	190
Trade and other receivables	16	75 664	64 493
Other assets	16	1 870	-
Cash and cash equivalents		222 231	165 889
Other prepayments		1 031	980
Total current assets		**302 186**	**231 552**
Total assets		**1 491 782**	**1 420 309**

		30 June 2013 in PLN '000 *(unaudited)*	31 December 2012 in PLN '000 *(audited)*
LIABILITIES	**Note**		
Equity			
attributable to shareholders of the Company, of which:			
Share capital		147 967	147 967
Share premium		1 140 765	1 140 911
Treasury shares	30	-	(150)
Supplementary capital		-	-
Uncovered losses		(398 927)	(319 056)
Accumulated losses		(319 056)	(143 436)
Net loss for the current period		(79 871)	(175 620)
Non-controlling interests		-	-
Total equity		**889 805**	**969 672**
Non-current liabilities			
Interest-bearing loans and borrowings	19	49 601	33 352
Other financial liabilities (bonds)	21	205 339	-
Deferred income	20	39 615	41 537
Provisions	18	3 519	3 350
Deferred tax liability		86 732	90 828
Total non-current liabilities		**384 806**	**169 067**
Current liabilities			
Trade and other liabilities	25	45 195	44 333
Deferred income	20	170 785	220 117
Borrowings and other financial liabilities	19	223	16 249
Provisions for other liabilities	18	968	871
Total current liabilities		**217 171**	**281 570**
Total liabilities		**1 491 782**	**1 420 309**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW for the 6-month period ended 30 June 2013

	Note	6-month period ended 30 June 2013 in PLN '000 *(unaudited)*	6-month period ended 30 June 2012 in PLN '000 *(unaudited)*
Gross loss		**(98 394)**	**(86 272)**
Adjustments of items:			
Depreciation of fixed and intangible assets		54 121	52 230
Interest expense and income		(196)	4 394
Exchange rate differences		(17)	-
(Profit)/ loss from investing activities		1 332	589
Change in the balance of assets and liabilities related to operating activities:			
- Trade and other receivables		(11 153)	(23 560)
- Inventories		(1 200)	(9)
- Trade and other liabilities		2 718	5 180
- Deferred income		(51 254)	64 521
- Provisions		266	50
- Other prepayments/ accruals		66	56
Costs of interest on bonds	21	5 650	392
Other adjustments		232	288
Net cash flow from operating activities		**(97 829)**	**17 859**
Proceeds from sale of property, plant and equipment and intangible assets		7	-
Purchase of property, plant and equipment and intangible assets		(42 183)	(26 286)
Acquisition of subsidiary – deferred payment		-	(1 136)
Purchase/ proceeds from sale of other non-current assets		-	320
Net cash flow from investing activities		**(42 176)**	**(27 102)**
Proceeds from share issuance		-	278 180
Proceeds from sale of treasury shares	30	4	-
Proceeds from issue of debt securities	21	200 099	20 000
Repayment of debt securities		-	(71 500)
Interest paid on bonds issued		-	(1 730)
Outlays on issue of commercial papers		-	(297)
Repayment of finance lease liabilities (related to fixed assets used)		-	(25 087)
Commissions paid (related to issuing bonds and obtaining bank loans)	19, 21	(2 469)	-
Repayment of borrowings		-	(8 356)
Interest paid on bank loans		(1 288)	(2 357)
Other		1	17
Net cash flow from financing activities		**196 347**	**188 870**
Net increase/ (decrease) in cash and cash equivalents		56 342	179 627
Cash at beginning of period		**165 889**	**37 623**
Cash at end of period	15	**222 231**	**217 250**

INTERIM CONDENSED CONSOLIDATED SUMMARY OF CHANGES IN EQUITY
for the 6-month period ended 30 June 2013

(in PLN '000)

		Equity attributable to shareholders of the parent						
	Note	**Share capital**	**Share premium**	**Treasury shares**	**Retained earnings/ accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2013		**147 967**	**1 140 911**	**(150)**	**(319 056)**	**969 672**	**-**	**969 672**
Proceeds from sale of treasury shares	30	-	(146)	150	-	4	-	4
Net loss for the period		-	-	-	*(79 871)*	*(79 871)*	-	*(79 871)*
Total loss for the period		-	-	-	(79 871)	(79 871)	-	(79 871)
As at 30 June 2013 (*unaudited*)		**147 967**	**1 140 765**	**-**	**(398 927)**	**889 805**	**-**	**889 805**

	Note	**Share capital**	**Share premium**	**Treasury shares**	**Retained earnings/ accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
State as at 1 January 2012		**29 593**	**435 560**	**(150)**	**(143 436)**	**321 567**	**19 974**	**341 541**
Issue of shares		118 374	710 240	-	-	828 614	-	**828 614**
Share issuance costs		-	(4 494)	-	-	(4 494)	-	**(4 494)**
Net loss for the period		-	-	-	*(82 136)*	(82 136)	***(42)***	*(82 178)*
Total loss for the period		-	-	-	(82 136)	(82 136)	(42)	(82 178)
State as at 30 June 2012 (*unaudited*)		**147 967**	**1 141 306**	**(150)**	**(225 572)**	**1 063 551**	**19 932**	**1 083 483**

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed consolidated financial statements of the Group have been drawn up for the 6-month period ended 30 June 2013 and contain comparative data as required by the International Financial Reporting Standards ("IFRS").

The interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated statement of comprehensive income include data for the 6-month period ended 30 June 2013, the 3-month period ended 30 June 2013, and comparative data for the 6-month period ended 30 June 2012 and the 3-month period ended 30 June 2012. The data for the 3-month period ended 30 June 2013 and the comparative data for the 3-month period ended 30 June 2012 were not subject to a review or an audit by an independent auditor.

On 2 September 2013, these interim condensed consolidated financial statements of the Group for the 6-month period ended 30 June 2013 were approved for publication by the Management Board.

1. General information

The Midas S.A. Capital Group (the "Group") consists of Midas S.A. (the "parent", the "Company", "Midas") and its subsidiaries. The parent is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, 12th Commercial Division of the National Court Register, under KRS 0000025704.

The parent holds statistical identification number (REGON) 010974600.

The parent and the entities belonging to the Capital Group are established in perpetuity.

The core business activity of the Group is telecommunications activities conducted on the territory of Poland.

The immediate parent of Midas S.A. is Litenite Limited with its registered office in Nicosia, Cyprus – an entity indirectly controlled by the Deputy Chairman of the Company's Supervisory Board, Mr. Zygmunt Solorz-Żak.

The subsidiaries of Midas S.A. which belong to the Group and are subject to full consolidation are:

Entity	Registered office	Scope of activity	Percentage share of the Group in capital	
			30 June 2013	31 December 2012
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%
Nova Capital Sp. z o.o.**	Warsaw	no operating activities	100%	85.2%

* information on the proposed merger between Conpidon and Midas is set forth in Note 29 hereto.

** information on the merger between Nova Capital and Aero2, which was registered in the NCR after the balance sheet date, is set forth in Note
29 hereto.

As at 30 June 2013 and as at 31 December 2012, the share in the total number of votes held by the Group in the subsidiaries is equal to the share of the Group in the capital of those entities. An exception is Nova Capital Sp. z o.o., in which the Group held 85.2 per cent of the share capital and 100 per cent of the votes as at 31 December 2012.

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

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

These interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards, as approved in the EU (the "IFRS"), in particular in accordance with International Accounting Standard No. 34. As on the date of approval of these statements for publication, taking into account the EU process of implementing the IFRS standards and the business conducted by the Group, in the context of the accounting principles applied by the Group, accounting principles of the IFRS differ from those of the IFRS approved by the EU. The Company has made use of the opportunity arising, when applying the International Financial Reporting Standards approved by the EU, of applying IFRS 10, IFRS 11 and IFRS 12, the amended IAS 27 and IAS 28 only from annual periods beginning from 1 January 2014.

The International Financial Reporting Standards 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 zlotys ("PLN") and all values are given in thousands (PLN '000) except when otherwise indicated.

These interim condensed consolidated financial statements were prepared on the assumption that the business activities of the companies of the Group will continue in the foreseeable future. As at the day on which these financial statements were approved, no circumstances were found which would pose a threat to the continued activity of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012, published on 21 March 2013.

3. Summary of significant accounting policies

The accounting policies adopted in preparing the interim condensed consolidated financial statements are consistent with those adopted in preparing the annual consolidated financial statements of the Company for the year ended 31 December 2012, except for the following new or amended standards and interpretations in force for annual periods beginning on or after 1 January 2013.

- Amendments to IAS 19 *Employee Benefits* – which apply to financial years beginning on or after 1 January 2013,

The application of such amendments had no impact on the financial position or comprehensive income of the Group.

- Amendments to IAS 1 *Presentation of financial statements: presentation of items of other comprehensive income* – which apply to annual periods beginning on or after 1 July 2012,

Amendments concerning the grouping of other items from comprehensive income. Other items of comprehensive income subject to reclassification in the future to profit or loss are presented separately from items which will not be reclassified to profit or loss.

The application of these changes had no effect on the financial position or the value of the comprehensive income of the Group, or on the scope of information presented in the Group's financial statements.

- Amendments of IAS 12 *Income taxes: Tax Realisation of Assets* – which apply for annual periods beginning on or after 1 January 2012 – in the EU, applicable at the latest to annual periods beginning on or after 1 January 2013,

The application of these changes had no effect on the financial position or operating results of the Group, or on the scope of information presented in the Group's 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* – which apply to annual periods beginning on or after 1 July 2011 – in the EU, applicable at the latest to annual periods beginning on or after 1 January 2013,

Amendments to IFRS 1 did not concern the Group.

- IFRS 13 *Fair Value Measurement* – which applies to annual periods beginning on or after 1 January 2013,

IFRS 13 leads to a single set of rules concerning the manner of determining the fair value of financial and non-financial assets and liabilities, where such valuation is required or allowed by the IFRS. IFRS 13 does not affect when the Group is obliged to make an valuation according to fair value. The regulations of IFRS 13 apply to both initial valuations and valuations made after initial disclosure.

This requires new disclosure in the area of techniques (methods) of valuation and initial information/data to determine fair value, as well as the impact of certain initial information on valuation at fair value.

The application of IFRS 13 had no effect on the financial position or operating results of the Group, or on the scope of information presented in the Group's financial statements.

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Min*e – which apply for annual periods beginning on or after 1 January 2013,

The interpretation does not apply to the Group.

- Amendments to IFRS 7 *Financial Instruments: Disclosures: Compensation of Financial Assets and Financial Liabilities* – which apply to annual periods beginning on or after 1 January 2013,

The amendments introduce additional quantitative and qualitative disclosures concerning transfers/assignments of financial assets, if:

  - the financial assets are totally removed from the balance sheet but the entity remains involved in those assets (e.g. through options or guarantees concerning the assets transferred)
  - the financial assets are not entirely removed from the balance sheet

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

- Amendments of IFRS 1 *First-time Adoption of International Financial Reporting Standards: Government loans* – which apply to annual periods beginning on or after 1 January 2013,

Amendments to IFRS 1 did not concern the Group.

- Amendments resulting from an IFRS review (issued in May 2012) – which apply for annual periods beginning on or after 1 January 2013

IAS 1 – the amendment clarifies differences between voluntarily presented supplementary comparative data and the minimum comparative data required,

IAS 16 – the amendment explains that main replacement parts and servicing equipment which meet the criteria for being defined as property, plant and equipment are not inventories,

IAS 32 – the amendment removes existing requirements concerning disclosing tax from IAS 32, and requires the application of IAS 12 for income tax resulting from distribution to owners of financial instruments,

IAS 34 – the amendment clarifies the requirements of IAS 34 concerning information on the subject of the total value of assets and liabilities for each reporting segment, in order to strengthen consistency with the requirements of IFRS 8 *Operating segments*. In accordance with the amendment, the total value of assets and liabilities of a given reporting segment must be disclosed only if: those values are regularly reported to the main operational decision-maker of the entity, and there has been a significant change in the total value of assets and liabilities disclosed in the previous annual financial statements for that segment.

The application of these changes had no effect on the financial position or operating results of the Group, or on the scope of information presented in the Group's financial statements.

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

4. Segments of activities

The Group's activities are treated by the management as a single coherent operating segment covering wholesale telecommunications activities. The Management treats the entire Capital Group as a single operating segment and evaluates the financial results of the Group by analysing financial data derived from the consolidated financial statements.

5. Seasonality of activities

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

6. Revenue

	3-month period ended 31 March 2013 in PLN '000	6-month period ended 30 June 2013 in PLN '000	3-month period ended 31 March 2012 in PLN '000	6-month period ended 30 June 2012 in PLN '000
Sales of telecommunications services	42 945	92 534	14 419	35 059
Revenues from sales of goods	11	27	3 842	3 859
Total	**42 956**	**92 561**	**18 261**	**38 918**

During the 6-month period ended 30 June 2013, revenue increased by PLN 53,643,000 in comparison to the corresponding period of the previous year. This was mainly due to the increasing popularity of LTE technology and the corresponding increased usage of data transmission services ordered by wholesale customers of the Midas Group, and to the consistently expanding coverage of the telecommunications network utilised by the Midas Group. The Management Board of the Company emphasises that revenue in the second quarter of 2013 increased by approximately 15.5 per cent compared to the revenue achieved in the first quarter of 2013. Thus, a rapid growth trend was maintained as regards quarter-on-quarter revenue.

7. Costs by type

During the 6-month period ended 30 June 2013, costs by type increased by PLN 64,364,000 in comparison to the corresponding period of the previous year. The change results from an increase in depreciation costs and an increase in the costs of maintaining and operating the telecommunications network, which change (increase) in line with the growth of the number of base stations.

8. Other operating revenues

During the 6-month period ended 30 June 2013, operating revenues increased by PLN 645,000 in comparison to the corresponding period of the previous year. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating revenues comprise the following:

	6-month period ended 30 June 2013 in PLN '000	6-month period ended 30 June 2012 in PLN '000
Release of provisions	122	44
Received compensation and similar benefits	-	360
Dissolution of write-downs of receivables and inventories	64	-
Subsidies	1 198	813
Postal charges	834	258
Other	115	213
Total	**2 333**	**1 688**

9. Other operating costs

During the 6-month period ended 30 June 2013, other operating costs increased by PLN 980,000 in comparison to the corresponding period of the previous year. For the purposes of the interim condensed consolidated statement of comprehensive income, other operating costs comprise the following:

	6-month period ended 30 June 2013	**6-month period ended 30 June 2012**
	in PLN '000	**in PLN '000**
Loss from disposal/ liquidation of non-financial fixed assets	21	-
Revaluation write-downs of non-current assets	1 332	589
Revaluation write-down of receivables	-	196
Write-off of bad debts	342	-
Compensation and penalties	-	5
Other	151	76
Total	**1 846**	**866**

10. Finance income

During the 6-month period ended 30 June 2013, there was a decrease in the value of finance income of PLN 1,151,000 in comparison to the corresponding period of the previous year. This change results from an decrease in the amount of interest on cash invested in interest-bearing bank deposits, caused by a reduction in bank deposit interest rates.

11. Financial costs

During the 6-month period ended 30 June 2013, there was a significant change in the level of financial costs in comparison to the corresponding period of the previous year, although, in the second half of 2013 it is anticipated that there will be significant growth in financial costs from series A (discount) bonds issued and from credit in Alior Bank (interest).

12. Income tax

As at 30 June 2013, the Group decided to recognise assets from deferred income tax counted as tax losses of the company CenterNet in connection with the strong likelihood of those assets being attained. As at 30 June 2013, the Group recognised assets of PLN 14,427,000 (PLN 0 as at 31 December 2012).

The total value of deferred income tax disclosed in the statement of comprehensive income for the first 6 months of 2013 was PLN 18,523,000 (PLN 4,094,000 in the corresponding period of the previous year).

13. Property, plant and equipment

13.1. Purchases and disposals

During the 6-month period ended on 30 June 2013, the Group acquired property, plant and equipment with a value of PLN 45,923,000 (mainly telecommunications infrastructure from Nokia Siemens Networks, Ericsson and IT Polpager).

During the 6-month period ended on 30 June 2012, the Group acquired property, plant and equipment with a value of PLN 26,531,000.

During the 6-month period ended 30 June 2013 and the 6-month period ended 30 June 2012, the Group did not dispose of any items of property, plant and equipment with a significant value.

13.2. Impairment write downs

During the period ended 30 June 2013, the Group made an impairment write-down of PLN 1,332,000, and in the corresponding period of the previous year, the Group made impairment write-downs of non-current assets in the amount of PLN 589,000.

14. Intangible assets

14.1. Purchases and disposals

During the 6-month period ended 30 June 2013 and the 6-month period ended 30 June 2012, the Group did not acquire or dispose of any intangible assets with a significant value. The change in value results from amortisation.

14.2. Impairment write downs

During the period ended 30 June 2013 and the corresponding period of the previous year, the Group did not recognise any significant impairment of intangible assets.

15. Cash and cash equivalents

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

	30 June 2013 in PLN '000	**30 June 2012 in PLN '000**
Cash at bank and on hand	24 926	37 600
Short-term bank deposits	197 074	179 000
Interest accrued on bank deposits	227	650
Other	4	-
Cash and cash equivalents	**222 231**	**217 250**

16. Trade and other receivablesand other assets

During the 6-month period ended 30 June 2013, receivables of the Group increased by PLN 11,171,000 in comparison to the balance as at 31 December 2012. That change results mainly from an increase in receivables from VAT in companies of the Group.

During the 6-month period ended 30 June 2013, other financial assets of the Group increased by PLN 332,000 in comparison to the balance as at 31 December 2012. That change results mainly from an increase in receivables long-term loans granted (accrued interest of PLN 332,000).

During the 6-month period ended 30 June 2013, other non-current assets of the Group decreased by PLN 5,749,000. That change results mainly from settlement of advances designated for purchases of non-current assets. The change in other current assets during that period results mainly from commission paid on credit granted by Alior Bank.

17. Inventories

During the 6-month period ended 30 June 2013, inventories of the Group increased by PLN 1,200,000 in comparison to the balance as at 31 December 2012.

18. Provisions

During the 6-month period ended 30 June 2013, 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 2012.

19. Interest-bearing bank credit and loans

On 31 January 2013, Aero2 and Invest Bank signed annexes to the loan agreements amending the form of repayment of the principal. The balance of the principal will be paid off as lump sums of PLN 29,431,000 by 26 September 2015 and of PLN 20,170,000 by 30 September 2015, respectively. In connection with this operation, commission of PLN 232,000 will be paid.
As at 30 June 2013, the Group held the following collateral under loan agreements with Invest Bank SA:

- transfer of ownership of assets for a total amount of at least 150 per cent of the current value of debt;
- a blank promissory note issued by the Borrower together with a promissory note declaration;
- the borrower's declaration of submission to enforcement up to PLN 76,433,000;
- authorisation to manage the borrower's bank accounts.

On 28 February 2013, the Company concluded with Alior Bank Spółka Akcyjna a loan agreement for investment credit of PLN 150 million to finance the expansion of a network of relay stations by companies belonging to the Midas Group. Under the Agreement, the Company can use the Credit after meeting specific conditions of use of the Credit, specified in the Agreement, but no later than by 31 March 2015. The Credit will be repaid in 12 quarterly capital instalments in the following amounts: PLN 1.5 million for the first three instalments; PLN 16.2 million for the next 8 instalments, and PLN 15.9 million for the last instalment. Capital instalments will be paid on the day on which each quarter ends, beginning with 30 June 2015 until 31 March 2018. The interest, calculated on the basis of the 1M WIBOR rate increased by the Bank's margin, will be repaid in monthly periods. Security for the Credit is: a power of attorney to the Company's account in the Bank, a contractual mortgage up to PLN 225 million on the property of Inwestycje Polskie Sp. z o.o. located in Warsaw at ul. Ostrobramska 77 together with a transfer of rights under the insurance policy of the Property on all risks for an amount not smaller than PLN 150 million, a guarantee under civil law of Inwestycje Polskie Sp. z o.o. granted for one year from the date of the legally valid establishment of the mortgage together with the aforementioned declaration on submission to enforcement on account of the guarantee granted up to the amount of the mortgage, the confirmed assignment of rights resulting from lease agreements for premises on the property, concluded by Inwestycje Polskie Sp. z o.o. with

lessees up to an amount not higher than PLN 15 million, guarantees under civil law of the guarantors (i.e. the subsidiaries Aero2, CenterNet and Mobyland) together with the aforementioned declarations on submission to enforcement on account of the guarantee granted up to PLN 300 million, and the aforementioned declaration of the Company on submission to enforcement under the aforementioned procedure up to PLN 300 million. The Management Board of the Company reported on the conclusion of the Agreement, including on the conditions for the use and security of the Credit, in Current Report No. 4/2013. The Management Board of the Company reported on the fulfilment of specific conditions precedent in Current Reports No. 23/2013, 26/2013 and 31/2013. As at 30 June 2013, the Credit had not been released.

20. Deferred income

As at 30 June 2013, the Group recognised deferred income of PLN 210,400,000 (PLN 261,654,000 as at 31 December 2012). This amount consists of non-current deferred income of PLN 39,615,000 and the current portion of deferred income of PLN 170,785,000 (as at 31 December 2012: PLN 41,537,000 and PLN 220,117,000, respectively).

The decrease in the value of deferred income recorded during the 6-month period ended 30 June 2013 results from the use of orders placed to Mobyland under the agreements, based on which Mobyland provides Data Transmission Services using LTE and HSPA+ technologies to Polkomtel Sp. z o.o. and Cyfrowy Polsat S.A. Each order placed to date is payable in instalments (in accordance with the schedules published in Current Reports No. 56/2012 – pertaining to payments by Polkomtel –

and No. 41/2012 – pertaining to payments by Cyfrowy Polsat) 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 appears under revenues from sales proportionally to the number of gigabytes (GB) actually used within a given order. As at 30 June 2013, the value of paid instalments remaining to be settled, resulting from the orders placed under the agreement with Cyfrowy Polsat, amounted to PLN 135,782,000. In turn, the corresponding value of instalments paid under the agreement with Polkomtel amounted to PLN 28,920,000.

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 2012, decreased by PLN 1,471,000 and amounted to PLN 19,482,000 as at 30 June 2013.

The remaining amount of deferred income comprises EU grants of PLN 25,568,000 and settlements of sales of telecommunications services (prepaid) of PLN 648,000.

21. Other financial liabilities

During the 6-month period ended 30 June 2013, other financial liabilities increased by PLN 205,339,000. That change results from the issue of series A bonds.

On 16 April 2013, the Management Board of the Company assigned a total of 583,772 zero-coupon secured series A bearer bonds issued by the Company, with a par value of PLN 1,000 per bond (the "Bonds"). The Bonds were subscribed by the following entities:

1) Sferia S.A., with its registered office in Warsaw – 583,481 Bonds,

2) Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, Oddział – Dom Maklerski PKO Banku Polskiego w Warszawie – 291 Bonds.

The total issue price of the Bonds assigned was PLN 200,099,528.44. The discount rate was set at 14.31 per cent. The bonds maturity date is 16 April 2021. As at 30 June 2013, in the statement of comprehensive income the Group disclosed financial costs related to the issue of bonds (i.e. the discount and issue costs) in the amount of PLN 5,650,000. Outlays related to the bonds issue were PLN 411,000 (including those paid, shown in the consolidated statement of cash flows as PLN 367,000). Information on the above issue of bonds was provided in Current Reports No. 5/2013, 6/2013, 8/2013, 11/2013, 12/2013, 13/2013 and 16/2013.

The data presented below are information on the level of selected financial indicators as at 30 June 2013:

consolidated financial debt: PLN 255,163,000, leverage ratio: 0.223.

In April and May 2013, the Company received a total of three decisions by the District Court for the City of Warsaw in Warsaw, 11th Commercial Division – Pledge Register (the "Court") regarding an entry made in the Pledge Register of a pledge over:

a) 204,200 interests in Mobyland with a par value of PLN 500 each and a total par value of PLN 102,100,000, owned by the Company, providing entitlement to 204,200 votes at the Shareholders Meeting of Mobyland, and constituting 100 per cent of the share capital of Mobyland and valued as at 23 November 2012 at a total amount of PLN 262,011,000.

b) 221,000 interests in Aero2 with a par value of PLN 50 each and a total par value of PLN 11,050,000, owned by Conpidon, giving entitlement to 221,000 votes at the Shareholders Meeting of Aero2, and constituting 100 per cent of the share capital of Aero2 and valued as at 23 November 2012 at the total amount of PLN 973,182,000.

c) 4,264,860 shares in CenterNet with a par value of PLN 17.30 each and a total par value of PLN 73,782,078, owned by the Company, giving entitlement to 4,264,860 votes at the Shareholders Meeting of CenterNet, and constituting 100 per cent of the share capital of CenterNet and valued as at 23 November 2012 at a total amount of PLN 262,011,000.

22. Financial risk management objectives and policies

During the 6-month period ended 30 June 2013, the Group did not recognise any significant changes in financial risk or in the objectives and policies of managing such risk in relation to those described in the annual consolidated financial statements for 2012.

23. Capital management

During the 6-month period ended 30 June 2013, the Group did not change its goals, principles or procedures for capital management compared to those disclosed in the annual consolidated financial statements for 2012.

24. Contingent liabilities and contingent assets

In the 6-month period ended 30 June 2013, there were no changes, other than those described in Notes 19 and 21 (security of bank loans and pledges on interests and shares in subsidiaries related to the bonds issue), in contingent liabilities or contingent assets compared with the data disclosed in the annual consolidated financial statements for 2012.

In the assessment of the Management Board concerning proceedings relating to frequency reservations pending in relation to subsidiaries of Midas S.A., there has been no change in comparison with the assessment presented in Note 32.1 of the consolidated financial statements for the year ended 31 December 2012. The balance sheet amount of the above concessions granted to CenterNet and Mobyland, disclosed in the consolidated statement of financial position as at 30 June 2013 was PLN 220,571,000.

25. Trade and other payables

During the 6-month period ended 30 June 2013, there was no significant change in the level of liabilities in comparison to the balance as at 31 December 2012.

26. Capex liabilities

As at 30 June 2013 the Company did not possess any current, significant capex liabilities that have not been disclosed in these financial statements.
The Management Board of the Company points out, however, that as at 30 June 2013, the value of investment orders of the Group was approximately PLN 38,800,000.

27. Transactions with related parties

During the 6-month period ended 30 June 2013, the Group did not conclude any significant transaction with related parties not concluded on an arm's length basis.

The table below presents the total values of transactions with related parties entered into during the 6-month periods ended 30 June 2013 and 30 June 2012, and the balances of receivables and payables as at 30 June 2013 and 31 December 2012:

		Revenue from mutual transactions, of which:	**from sales**	**interest on loans**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	2013	93 143	91 758	332	1 053
	2012	34 393	32 862	1 083	448

		Costs of mutual transactions, of which:	**bonds discount**	**interest on borrowings**	**other**

Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	2013	90 843	5 641	1 743*	83 459
	2012	20 195	-	2 241	17 954

* part of the interest paid presented above in the amount of PLN 1,375,000 was capitalised on fixed assets in progress.

		Other receivables from related parties of which:	**trade**	**loans**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	*2013*	46 377	28 844	14 352	3 181
	2012	65 099	47 588	14 020	3 491

		Liabilities to related parties, of which:	**trade**	**credits and loans**	**issue of bonds**	**other**
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	*2013*	455 638	15 080	49 824	205 641***	185 093**
	2012	297 234	12 340	49 601	-	235 293**

**Amounts recognised as deferred income

*** Amount of liability in Interim condensed consolidated statement of financial position reduced by issue costs.

28. Remuneration of the senior management staff of the Group

28.1. Remuneration paid or due to members of the Management Board and members of the Supervisory Board of the Group

The table below shows the value of remuneration (together with bonuses) paid or due to members of the Management Board of the Company and members of the Supervisory Board of the Company for the performance of their duties on the governing bodies of the Company.

	6-month period ended 30 June 2013	**6-month period ended 30 June 2012**
	in PLN '000	**in PLN '000**
Management Board of the parent		
Current employee benefits or similar (wages and salaries and bonuses)	477	629
Supervisory Board of the parent		
Current employee benefits or similar (wages and salaries and bonuses)	14	-
Total	**491**	**629**

28.2. Remuneration paid or due to members of the Management Board and members of the Supervisory Board of the Group

The table below shows the value of remuneration (together with bonuses) paid or due to members of the Management Board of the Company and members of the Supervisory Board of the Company for the performance of their duties on the governing bodies of subsidiaries.

	6-month period ended 30 June 2013	6-month period ended 30 June 2012
	in PLN '000	in PLN '000
Management Board of the parent		
Current employee benefits (wages and salaries and bonuses)	171	173
Supervisory Board of the parent		
Current employee benefits or similar (wages and salaries and bonuses)	6	41
Total	**177**	**214**

29. Business combinations

On 24 April 2013, the Management Board of the Company resolved to carry out a cross-border merger (the "Merger") of the Company and Conpidon Limited, in which the Company has 100 per cent of the shares in the share capital. The decision to conduct the Merger of the Company and Conpidon reflects the belief of the Management Board of the Company that the Merger is the fastest and most effective way to streamline the structure of the Midas Group. The long-term goal for the Merger is for the Company to directly hold 100 per cent of the shares in the share capital of Aero2, which is in line with the strategy of the Midas Group. The Merger of the Company with Conpidon will be effected by way of: transferring to the Company, as the sole shareholder of Conpidon, all of the assets of Conpidon via universal succession, and dissolving Conpidon without liquidating it, in accordance with the provisions of the Commercial Companies Code (the "CCC"), the Companies Law of Cyprus and the provisions of Directive 2005/56/EC of the European Parliament and of the Council. Following the Merger, the Company will, as of the date of the merger, enter into any and all rights, obligations, assets and liabilities of Conpidon. Pursuant to the CCC, due to the fact that the Company holds all of the shares in Conpidon, the Merger will occur without increasing the Company's share capital, and the merger plan will not be evaluated by an expert. Detailed information about the proposed merger was published in Current Reports No. 14/2013 and 15/2013. On 17 May 2013, the Management Board of the Company prepared and published (Current Report No. 20/2013) a Report of the Management Board justifying the Merger. On 21 June 2013, the OGM passed resolution No. 21/2013, pursuant to which it approved the Merger and authorised the Management Board of the Company to execute all actions required to perform the merger procedure.

On 25 April 2013, a plan was agreed and signed for a merger by takeover between the companies Aero2 (as the acquiring company) and Nova Capital (as the target company), in which Aero2 held a 100-per cent interest in the share capital. The decision to merger the two companies resulting from the desire to optimise and streamline the ownership structure of the Group. It was decided that the merger of Aero2 and Nova Capital will be made on the basis of the provisions of the CCC, in consequence of which: (i) Nova Capital will be wound up without liquidation, and (ii) all of the assets and liabilities of Nova Capital will be transferred to or taken over by Aero2 under universal succession, and (iii) Aero2 will enter into all the rights and obligations of Nova Capital. On 4 June 2013, the Extraordinary General Meeting of Shareholders of Aero2 and the Extraordinary General Meeting of Shareholders of Nova Capital adopted resolutions on the merger of those companies as set out in the above merger plan. The merger was registered in the NCR after the balance sheet date (information on that subject is found in Note 31).

30. Treasury shares

On 8 April 2013, Midas S.A. sold 5,000 treasury shares in an ordinary session transaction on the regulated market of Giełda Papierów Wartościowych S.A. in Warsaw. Information about the above transaction was published in Current Report No. 9/2013.

31. Subsequent events

On 31 July 2013, the District Court for the City of Warsaw, 12th Commercial Division of the National Court Register, handed down a decision to register the merger of Aero2 as the acquiring company with Nova – the target company, by way of transferring all of the assets of the target to the acquiring company.

On 1 August 2013, the companies Aero2, CenterNet and Mobyland (the "Guarantors") concluded with Alior Bank S.A. ("Alior Bank") an guarantee agreement for the joint security of the Company's liabilities from an Investment Credit Agreement in the amount of PLN 150 million, for the duration of the Credit as set forth in the Credit Agreement, i.e., until 31 March 2018. The amount of each of the above joint guarantors was set at PLN 300 million. The Company points out that each of the Guarantors is an entity which is a 100-per cent subsidiary of the Company, whereas no ties exist between the Guarantors and Alior Bank or between the Company and Alior Bank. The Company published information on this event in Current Report No. 31/2013.

On 7 August 2013, the Company received notification from Aero2 on the submission by Aero2 on the same day of two orders covering RAN- and SITE-type services, of which the total value calculated on the basis of a 5-year period of services covered by those orders is PLN 466.4 million. The above orders were submitted as part of implementing a cooperation agreement within the scope of the mutual provision of telecommunications infrastructure services (the "Agreement") concluded by Aero2 on 30 March 2012 with Polkomtel Sp. z o.o. ("Polkomtel" or a "Party", and jointly with Aero2 the "Parties"), about which the Company report in Current Report No. 22/2012 of 30 March 2012. The order having the greatest value submitted by Aero2 after 9 November 2012 as part of the implementation of the Agreement is an order of 7 August 2013 concerning RAN-type services (the "Order") having a value of PLN 354.5 million. The RAN-type services covered by the Order will be provided under the conditions set forth in the Agreement in every location for a period of 5 years, counting from the date on which Polkomtel announces its readiness to provide services in a given location in accordance with the provisions of the Agreement. The Order does not regulate the issues of compensation or contractual penalties – in this scope, the general conditions resulting from the Agreement apply. The other conditions of the Order do not diverge from those generally applied in this type of transaction. The Company published information on placement of the above orders in Current Report No. 32/2013.

In its ruling of 13 August 2013, the SAC dismissed cassation appeals by PTK Centertel and PTC (currently T-Mobile) against a decision in which the PACW upheld a decision of the President of the OEC granting frequency reservations in the 900 MHz range to Aero2. A detailed description of that event is contained in pt. 5 of the "Report of the Management Board on the operations of Midas S.A. for the first half of 2013".

On 23 August 2013, the subsidiary Aero2 made partial repayment of a loan granted to it by Invest Bank. The value of the repayment was PLN 6,000,000. As at the date of publication of these condensed consolidated financial statements, the principal balance remaining to be repaid is PLN 43,601,000.

MIDAS Spółka Akcyjna

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2013
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 30 June 2013

	Note	3-month period ended 30 June 2013 in PLN '000 *(unaudited)*	6-month period ended 30 June 2013 in PLN '000 *(unaudited)*	3-month period ended 30 June 2012 in PLN '000 *(unaudited)*	6-month period ended 30 June 2012 in PLN '000 *(unaudited)*
Continuing operations					
Depreciation and amortisation		(6)	(10)	(3)	(5)
Wages and salaries		(312)	(622)	(131)	(263)
Other costs by type		(328)	(648)	(293)	(672)
Loss on operating activities		**(646)**	**(1 280)**	**(427)**	**(940)**
Financial income	6	5 636	8 659	4 468	5 957
Financial costs	7	(5 650)	(5 987)	(1 007)	(2 907)
Profit/ (loss) on financial activities		**(14)**	**2 672**	**3 461**	**3 050**
Profit/ (loss) before taxation		**(660)**	**1 392**	**3 034**	**2 110**
Current income tax		-	-	-	-
Deferred tax		-	-	-	-
Total income tax		-	-	-	-
Profit/ (loss) for the period from continued activities		**(660)**	**1 392**	**3 034**	**2 110**
Net profit/ (loss)		**(660)**	**1 392**	**3 034**	**2 110**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(660)**	**1 392**	**3 034**	**2 110**
Average weighted number of ordinary shares		1 479 666 188	1 479 663 960	965 843 406	965 843 406
Net profit/ (loss) on continuing operations per share (in PLN)		(0.0004)	0.0009	0.0031	0.0022

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Note	30 June 2013 in PLN '000 *(unaudited)*	31 December 2012 in PLN '000 *(audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	8	152	21
Intangible assets	9	1	-
Other financial assets (non-current)	10	1 063 183	966 203
Total non-current assets		**1 063 336**	**966 224**
Current assets			
Inventories		4	-
Trade and other receivables	14	172 371	138 004
Other assets	10	1 870	-
Cash and cash equivalents		181 291	134 036
Other prepayments		44	6
Total current assets		**355 580**	**272 046**
Total assets		**1 418 916**	**1 238 270**

LIABILITIES	Note	30 June 2013 in PLN '000 *(unaudited)*	31 December 2012 in PLN '000 *(audited)*
Equity			
attributable to shareholders of the Company, of which:			
Share capital		147 967	147 967
Share premium		1 140 860	1 141 006
Treasury shares	16	-	(150)
Uncovered losses		(75 500)	(76 892)
Accumulated losses		(76 892)	(83 879)
Net profit for the current period		1 392	6 987
Total equity		**1 213 327**	**1 211 931**
Non-current liabilities			
Other financial liabilities	13	205 339	-
Total non-current liabilities		**205 339**	**-**
Current liabilities			
Trade and other liabilities	15	169	346
Other financial liabilities	13	-	25 897
Accruals		81	96
Total current liabilities		**250**	**26 339**
Total liabilities		**1 418 916**	**1 238 270**

INTERIM CONDENSED STATEMENT OF CASH FLOW

for the 6-month period ended 30 June 2013

	Note	6-month period ended 30 June 2013 in PLN '000	6-month period ended 30 June 2012 in PLN '000
		(unaudited)	*(unaudited)*
Gross profit		**1 392**	**2 110**
Depreciation of fixed and intangible assets		10	5
Interest expenses		337	2 515
Exchange rate differences		(18)	(2)
Change in the balance of assets and liabilities related to operating activities:			
– Trade and other receivables		9	298
– Inventories		(4)	-
– Trade and other liabilities		(220)	(77)
– Deferred income		-	(54)
– Accruals		(53)	(52)
Interest income	14	(5 878)	(2 942)
Costs of interest on bonds	13	5 650	392
Other adjustments		-	222
Net cash flow from operating activities		**1 225**	**2 415**
Acquisition of subsidiary – deferred payment		-	(1 136)
Purchase of property, plant and equipment and intangible assets	8, 9	(142)	-
Proceeds from sale of property, plant and equipment and intangible assets		-	9
Loans granted	14	(131 000)	(40 315)
Repayment of loans granted	14	5 000	-
Interest received		540	320
Other		-	95
Net cash flow from investing activities		**(125 602)**	**(41 027)**
Proceeds from sale of treasury shares		4	-
Loans repaid		-	(7 010)
Interest paid on loans		-	(523)
Proceeds from issue of debt securities	13	200 099	20 000
Repayment of debt securities	13	(22 250)	(71 500)
Interest paid on debt securities	13	(3 984)	(1 730)
Expenses from bonds issuance		-	(297)
Proceeds from share issuance		-	278 180
Commissions paid (related to issuing bonds and the bank loan)		(2 237)	-
Net cash flow from financing activities		**171 632**	**217 120**
Net (decrease) increase in cash and cash equivalents		**47 255**	**178 508**
Cash and cash equivalents at the beginning of the year		**134 036**	**3 244**
Cash and cash equivalents at the end of the year	11	**181 291**	**181 752**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2013

(in PLN '000)

	Note	Share capital	Share premium	Treasury shares	Retained earnings/ accumulated losses	Total equity
As at 1 January 2013		**147 967**	**1 141 006**	**(150)**	**(76 892)**	**1 211 931**
Issue of shares		-	-	-	-	-
Share issuance costs		-	-	-	-	-
Proceeds from sale of treasury shares	16	-	(146)	150	-	4
Net loss for the period		-	-	-	*1 392*	*1 392*
Comprehensive income for the period		-	-	-	1 392	1 392
As at 30 June 2013 (unaudited)		**147 967**	**1 140 860**	**-**	**(75 500)**	**1 213 327**

	Share capital	Share premium	Treasury shares	Retained earnings/ accumulated losses	Total equity
State as at 1 January 2012	**29 593**	**435 655**	**(150)**	**(83 879)**	**381 219**
Issue of shares	118 374	710 240	-	-	828 614
Share issuance costs	-	(4 494)	-	-	(4 494)
Net loss for the period	-	-	-	*2 110*	*2 110*
Comprehensive income for the period	-	-	-	2 110	2 110
State as at 30 June 2012 (unaudited)	**147 967**	**1 141 401**	**(150)**	**(81 769)**	**1 207 449**

SUPPLEMENTARY EXPLANATORY NOTES

The interim condensed financial statements of the Company cover the 6-month period ended 30 June 2013 and contain comparative data as required by the International Financial Reporting Standards ("IFRS").

The interim condensed statement of comprehensive income includes data for the 6-month period ended 30 June 2013, the 3-month period ended 30 June 2013, and comparative data for the 6-month period ended 30 June 2012 and the 3-month period ended 30 June 2012. The data for the 3-month period ended 30 June 2013 and the comparative data for the 3-month period ended 30 June 2012 were not subject to a review or an audit by an independent auditor.

On 2 September 2013, these interim condensed financial statements of Midas S.A. for the 6-month period ended 30 June 2013 were approved for publication by the Management Board of Midas S.A.

The Company Midas S.A. also prepared interim condensed consolidated financial statements for the 6-month period ended on 30 June 2013, which were approved by the Management Board of Midas S.A. for publication on 2 September 2013.

1. General Information

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

The Company is entered in the Commercial Register of the National Court Register kept by the District Court in Warsaw, 12th Commercial Division of the National Court Register, under 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:

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

2. Basis for preparing the interim condensed financial statements

These interim condensed financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") approved by the European Union, in particular in accordance with International Accounting Standard No. 34.

As on the date of approval of these statements for publication, taking into account the EU process of implementing the IFRS standards and the business conducted by the Company, in the context of the accounting policies applied by the Company the accounting principles of the IFRS differ from those of the IFRS approved by the EU. The Company used the opportunity available, when applying the International Financial Reporting Standards approved by the EU, of applying IFRS 10, IFRS 11 and IFRS 12, the amended IAS 27 and IAS 28 only from annual periods beginning from 1 January 2014.

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 zlotys ("PLN") and all values are given in thousands (PLN '000) except when otherwise indicated.

These interim condensed financial statements were prepared assuming that the Company would continue as a going concern in the foreseeable future. As at the date of 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 2012 published on 21 March 2013.

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

3. Summary of significant accounting policies

The accounting principles (policy) applied in preparing the interim concise financial statements are consistent with those applied in preparing the annual financial statements of the Company for the year ending on 31 December 2012, except for the following new or amended standards and interpretations in force for annual periods beginning on or after 1 January 2013.

- Amendments to IAS 19 *Employee Benefits* – which apply to financial years beginning on or after 1 January 2013,

The application of such amendments had no impact on the financial position or comprehensive income of the Company.

- Amendments to IAS 1 *Presentation of financial statements: presentation of items of other comprehensive income* – which apply to annual periods beginning on or after 1 July 2012,

Amendments concerning the grouping of other items from comprehensive income. Other items of comprehensive income subject to reclassification in the future to profit or loss are presented separately from items which will not be reclassified to profit or loss.

The application of these changes had no effect on the financial position or the value of the comprehensive income of the Company, or on the scope of information presented in the Company's financial statements.

- Amendments of IAS 12 *Income taxes: Tax Realisation of Assets* – which apply for annual periods beginning on or after 1 January 2012 – in the EU, applicable at the latest to annual periods beginning on or after 1 January 2013,

The application of these changes had no effect on the financial position or operating result of the Company, or on the scope of information presented in the Company's 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* – which apply to annual periods beginning on or after 1 July 2011 – in the EU, applicable at the latest to annual periods beginning on or after 1 January 2013,

Amendments to IFRS 1 did not concern the Company.

- IFRS 13 *Fair Value Measurement* – which applies to annual periods beginning on or after 1 January 2013,

IFRS 13 leads to a single set of rules concerning the manner of determining the fair value of financial and non-financial assets and liabilities, where such valuation is required or allowed by the IFRS. IFRS 13 does not affect when the Company is obliged to make an valuation according to fair value. The regulations of IFRS 13 apply to both initial valuations and valuations made after initial disclosure.

This requires new disclosure in the area of techniques (methods) of valuation and initial information/data to determine fair value, as well as the impact of certain initial information on valuation at fair value.

The application of IFRS 13 had no effect on financial position or operating results, or on the scope of information presented in the Company's financial statements.

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Min*e – which apply for annual periods beginning on or after 1 January 2013,

The interpretation does not apply to the Company.

- Amendments to IFRS 7 *Financial Instruments: Disclosures: Compensation of Financial Assets and Financial Liabilities* – which apply to annual periods beginning on or after 1 January 2013, The amendments introduce additional quantitative and qualitative disclosures concerning transfers/assignments of financial assets, if:

- the financial assets are totally removed from the balance sheet but the entity remains involved in those assets (e.g. through options or guarantees concerning the assets transferred)
- the financial assets are not entirely removed from the balance sheet

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

- Amendments of IFRS 1 *First-time Adoption of International Financial Reporting Standards: Government loans* – which apply to annual periods beginning on or after 1 January 2013,

Amendments to IFRS 1 did not concern the Company.

- Amendments resulting from an IFRS review (issued in May 2012) – which apply for annual periods beginning on or after 1 January 2013

IAS 1 – the amendment clarifies differences between voluntarily presented supplementary comparative data and the minimum comparative data required,
IAS 16 – the amendment explains that main replacement parts and servicing equipment which meet the criteria for being defined as property, plant and equipment are not inventories,
IAS 32 – the amendment removes existing requirements concerning disclosing tax from IAS 32, and requires the application of IAS 12 for income tax resulting from distribution to owners of financial instruments,
IAS 34 – the amendment clarifies the requirements of IAS 34 concerning information on the subject of the total value of assets and liabilities for each reporting segment, in order to strengthen consistency with the requirements of IFRS 8 *Operating segments*. In accordance with the amendment, the total value of assets and liabilities of a given reporting segment must be disclosed only if: those values are regularly reported to the main operational decision-maker of the entity, and there has been a significant change in the total value of assets and liabilities disclosed in the previous annual financial statements for that segment.

The application of these changes had no effect on the financial position or operating result of the Company, or on the scope of information presented in the Company's financial statements.

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

4. Segments of activities

The activities conducted by the Company are treated by the Management Board as a single coherent operating segment that includes supervisory activities in relation to subsidiaries operating in the telecommunications industry. The Management treats the entire Capital Group as a single operating segment and evaluates the financial results of the Group by analysing financial data derived from the consolidated financial statements.

5. Seasonality of activities

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

6. Finance income

During the 6-month period ended 30 June 2013, financial revenues increased by PLN 2,702,000 in comparison to the corresponding period of the previous year. This change results from an increase in the amount of interest receivable on short- and long-term loans granted (including on loans granted in 2013 as described in Note 14) as well as interest receivable on cash invested in interest-bearing bank deposits, derived from the issue of bonds.

7. Financial costs

During the 6-month period ended 30 June 2013, there was an increase in the value of financial costs of PLN 3,080,000 in comparison to the corresponding period of the previous year. That growth results mainly from the settlements of a discount on long-term bonds issued in April 2013.

8. Property, plant and equipment

8.1. Purchases and disposals

During the 6-month period ended 30 June 2013, the Company made investments into property, plant and equipment of PLN 140,000 (during the 6-month period ended 30 June 2012, it did not make investments into property, plant and equipment). During the 6-month period ended 30 June 2013, the Company did not sell any items of property, plant and equipment (as was the case in the corresponding period of the previous year).

8.2. Impairment write downs

During the 6-month period ended 30 June 2013, the Company did not recognise any significant impairment of property, plant and equipment (as was the case in the corresponding period of the previous year).

9. Intangible assets

9.1. Purchases and disposals

During the 6-month period ended 30 June 2013, the Company did not incur any significant expenditures for intangible assets (as was the case in the corresponding period of the previous year). For the 6-month period ended on 30 June 2013, the Company did not sell any components of intangible assets (as was the case in the corresponding period of the previous year).

9.2. Impairment write downs

During the 6-month period ended 30 June 2013, 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. Other non-current and current assets

During the 6-month period ended 30 June 2013, there was a change in the value of other (non-current) financial assets in comparison to the balance as at 31 December 2012. Other non-current financial assets comprise the following items:

	30 June 2013 in PLN '000	**31 December 2012 in PLN '000**
Non-current		
Ownership interests or shares, including:		
- CenterNet S.A.	238 989	238 989
Mobyland Sp. z o.o.	178 770	178 770
- Conpidon Ltd	548 444	548 444
Loans granted (including interest)*	96 980	-
Total	**1 063 183**	**966 203**
Current		
Commission paid on bank credits	1 870	-
Total	**1 870**	**-**

*details concerning long-term loans granted in 2013 are described in Note 14.

11. Cash and cash equivalents

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

	30 June 2013 in PLN '000	**30 June 2012 in PLN '000**
Cash at bank and on hand	3 086	2 102
Short-term bank deposits	178 016	179 000
Interest accrued on bank deposits	189	650
Cash and cash equivalents	**181 291**	**181 752**

12. Provisions

During the 6-month period ended 30 June 2013, there were no movements in the level of provisions created.

13. Interest-bearing bank loans, borrowings and issued papers and bonds

In the 6-month period ended 30 June 2013, the Company redeemed early debt papers, of which:

- on 17 January 2013, the Company redeemed early debt papers series MID0611C, held by CenterNet, for a total value of PLN 3,171,000, including interest for a total of PLN 922,000.
- on 11 March 2013, the Company redeemed early debt papers series MID0611B, held by Mobyland, for a total value of PLN 23,062,000, including interest for a total of PLN 3,062,000.

In connection with the above transactions, as at the date of publishing these statements, the Company has no liabilities under the debt papers. The subsidiaries will apply the proceeds from the early redemption of the debt papers towards expanding the telecommunications network of the Midas Group.

On 28 February 2013, the Company concluded with Alior Bank Spółka Akcyjna a loan agreement for investment credit of PLN 150 million to finance the expansion of a network of relay stations by companies belonging to the Midas Group. Under the Agreement, the Company can use the Credit after meeting specific conditions of use of the Credit, specified in the Agreement, but no later than by 31 March 2015. The Credit will be repaid in 12 quarterly capital instalments in the following amounts: PLN 1.5 million for the first three instalments; PLN 16.2 million for the next 8 instalments, and PLN 15.9 million for the last instalment. Capital instalments will be paid on the day on which each quarter ends, beginning with 30 June 2015 until 31 March 2018. The interest, calculated on the basis of the 1M WIBOR rate increased by the Bank's margin, will be repaid in monthly periods. The security for the Credit is: a power of attorney to the account of the Company in the Bank, a contractual mortgage up to PLN 225 million on the real property of Inwestycje Polskie Sp. z o.o. situated in Warsaw at ul. Ostrobramska 77 together with an assignment of rights from the all-risks insurance policy on the real property in an amount of not less than PLN 150 million, a suretyship under civil law by Inwestycje Polskie Sp. z o.o. granted for a period of one year from the date of a legally binding establishment of the mortgage together with a declaration on submission to enforcement under the suretyship granted up to the amount of the mortgage, a confirmed cession of rights resulting from lease agreements for the premises on the real property concluded by Inwestycje Polskie Sp. z o.o. with tenants up to the amount not greater than PLN 15 million, a suretyship under civil law by the guarantor together with the above-mentioned declarations on submission to enforcement from the suretyship granted up to the amount of PLN 300 million, together with the above declaration of the Company on submission to enforcement under the above procedure up to the amount of PLN 300 million. The Management Board of the Company reported on the conclusion of the Agreement, including on the conditions for the use and security of the Credit, in Current Report No. 4/2013. The Management Board of the Company reported on the fulfilment of specific conditions precedent in Current Reports No. 23/2013, 26/2013 and 31/2013. As at 30 June 2013, the Credit had not been released.

On 16 April 2013, the Management Board of the Company assigned a total of 583,772 zero-coupon secured series A bearer bonds issued by the Company, with a par value of PLN 1,000 per bond (the "Bonds"). The Bonds were subscribed by the following entities:

1) Sferia S.A., with its registered office in Warsaw – 583,481 Bonds,

2) Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, Oddział – Dom Maklerski PKO Banku Polskiego w Warszawie – 291 Bonds.

The total issue price of the Bonds assigned was PLN 200,099,528.44. The discount rate was set at 14.31 per cent. The bonds maturity date is 16 April 2021. As at 30 June 2013, in the statement of comprehensive income the Company disclosed financial costs related to the issue of bonds (i.e. the discount and issue costs) in the amount of PLN 5,650,000. Outlays related to the bonds issue were PLN 411,000 (including those paid, shown in the consolidated statement of cash flows as PLN 367,000). Information on the above issue of bonds was provided in Current Reports No. 5/2013, 6/2013, 8/2013, 11/2013, 12/2013, 13/2013 and 16/2013.

In April and May 2013, the Company received a total of three decisions by the District Court for the City of Warsaw in Warsaw, 11th Commercial Division – Pledge Register (the "Court") regarding an entry made in the Pledge Register of a pledge over:

a) 204,200 interests in Mobyland with a par value of PLN 500 each and a total par value of PLN 102,100,000, owned by the Company, providing entitlement to 204,200 votes at the Shareholders Meeting of Mobyland, and constituting 100 per cent of the share capital of Mobyland and valued as at 23 November 2012 at a total amount of PLN 262,011,000.

b) 221,000 interests in Aero2 with a par value of PLN 50 each interest and a total par value of PLN 11,050,000, owned by Conpidon, giving entitlement to 221,000 votes at the Shareholders Meeting of Aero2, and constituting 100 per cent of the share capital of Aero2 and valued as at 23 November 2012 at the total amount of PLN 973,182,000.

c) 4,264,860 shares in CenterNet with a par value of PLN 17.30 each share and a total par value of PLN 73,782,078, owned by the Company, giving entitlement to 4,264,860 votes at the Shareholders Meeting of CenterNet, and constituting 100 per cent of the share capital of CenterNet and valued as at 23 November 2012 at the total amount of PLN 262,011,000.

14. Trade and other receivables

During the 6-month period ended 30 June 2013, the Company granted loans with a total value of PLN 131,000,000, of which:

- to Aero2 Sp. z o.o., short-term loans in the amount of PLN 36,000,000 and long-term loans in the amount of PLN 55,000,000,
- to Mobyland Sp. z o.o., long-term loans in the amount of PLN 40,000,000.

On 27 March 2013, the Company granted a loan to Aero2 of PLN 14,000,000. The loan is secured and subject to repayment in full together with interest due on 31 December 2013. The loan bears interest at 1M WIBOR + margin.

On 22 April 2013, the Company granted a loan of PLN 10,000,000 to Aero2. The loan is secured and subject to repayment in full together with interest due on 31 December 2013. The loan bears interest at 1M WIBOR + margin.

On 22 April 2013, the Company granted a loan to Mobyland in the amount of PLN 40,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin.

On 7 May 2013, Midas granted a loan to Aero2 in the amount of PLN 25,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin.

On 27 May 2013, Midas granted a loan to Aero2 in the amount of PLN 15,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin.

On 19 June 2013, Midas granted a loan to Aero2 in the amount of PLN 15,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin.

On 26 June 2013, Midas granted a loan of PLN 12,000,000 to Aero2. The loan is secured and subject to repayment in full together with interest due on 31 December 2013. The loan bears interest at 1M WIBOR + margin.

The above loans were granted for the purpose of financing the expansion and maintenance of the telecommunications network of the Midas Group. The repayment due dates of the loans granted on 22 April (loan to Mobyland), 7 May 2013, 27 May 2013 and 19 June 2013 are subordinated to the repayment date of the bonds.

On 23 January 2013, CenterNet made an early repayment of part of the loan granted by the Company on 18 July 2011 – it repaid principal in the amount of PLN 5,000,000 together with accrued interest due in the amount of PLN 540,000.

15. Trade and other payables

In the 6-month period ended on 30 June 2013, there were no material changes in trade liabilities compared with the data disclosed in the annual non-consolidated financial statements for 2012. There was a PLN 128,000 decrease in public liabilities under personal income tax.

16. Treasury shares

On 8 April 2013, Midas S.A. sold 5,000 treasury shares in an ordinary session transaction on the regulated market of Giełda Papierów Wartościowych S.A. in Warsaw. Information about the above transaction was published in Current Report No. 9/2013.

17. Financial risk management objectives and policies

During the 6-month period ended 30 June 2013, 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 annual non-consolidated financial statements for 2012.

18. Capital management

During the 6-month period ended 30 June 2013, the Company did not change its goals, principles or procedures for managing capital compared with the data disclosed in the annual non-consolidated financial statements for 2012.

19. Contingent liabilities and contingent assets

In the 6-month period ended 30 June 2013, there were no changes, other than those described in Note 13 (pledges on interests and shares in subsidiaries related to the bonds issue), in contingent liabilities or contingent assets compared with the data disclosed in the annual non-consolidated financial statements for 2012.

In the assessment of the Management Board concerning proceedings relating to frequency reservations pending in relation to subsidiaries of Midas S.A., there has been no change in comparison with the assessment presented in Note 17 of the non-consolidated financial statements for the year ended 31 December 2012. The value of ownership interests in subsidiaries is presented in Note 10 to these interim condensed financial statements.

20. Capex liabilities

As at 30 June 2013 and as at 31 December 2012, the Company did not incur any capex liabilities that have not been disclosed in these financial statements.

21. Transactions with related parties

During the 6-month period ended 30 June 2013, the Company did not conclude any significant transactions with related parties not concluded on an arm's length basis.

The table below presents the total values of transactions with related parties entered into during the 6-month periods ended 30 June 2013 and 30 June 2012, and the balances of receivables and payables as at 30 June 2013 and 31 December 2012:

(in PLN '000)

		Revenues from mutual transactions, of which:	**other operating revenues**	**interest on loans**	**other**
Subsidiaries	*2013*	5 896	-	5 878	18
	2012	2 537	-	2 483	54
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	*2013*	676	-	-	676
	2012	-	-	-	-

		Costs of mutual transactions, of which:	**interest on commercial papers**	**interest on loans**	**bonds discount**	**other**
Subsidiaries	*2013*	406	337	-	-	69
	2012	1 128	933	122	-	73
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	*2013*	5 790	-	-	5 641	149
	2012	280	-	-	-	280

	Receivables from related parties, of which:	**trade**	**loans**	**other**

Subsidiaries	*2013*	269 352	-	269 352	-
	2012	138 004	8	137 996	-
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	*2013*	-	-	-	-
	2012	-	-	-	-

		Liabilities towards related parties, of which:	**trade**	**issue of bonds**	**issue of commercial papers**
Subsidiaries	*2013*	6	6	-	-
	2012	25 921	24	-	25 897
Entities controlled by a person (or members of their immediate family) controlling, jointly controlling or having significant influence over Midas S.A.	*2013*	205 665	24	205 641*	-
	2012	20	20	-	-

* Amount of liability in Interim condensed consolidated statement of financial position reduced by issue costs.

22. Remuneration of the Company's management staff

	6-month period ended 30 June 2013	**6-month period ended 30 June 2012**
	in PLN '000	**in PLN '000**
Management Board		
Current employee benefits or similar (wages and salaries and bonuses)	477	629
Supervisory Board		
Current employee benefits or similar (wages and salaries and bonuses)	14	-
Total	**491**	**629**

23. Business combinations

On 24 April 2013, the Management Board of the Company resolved to carry out a cross-border merger (the "Merger") of the Company and Conpidon Limited, in which the Company has 100 per cent of the shares in the share capital. The decision to conduct the Merger of the Company and Conpidon reflects the belief of the Management Board of the Company that the Merger is the fastest and most effective way to streamline the structure of the Midas Group. The long-term goal for the Merger is for the Company to directly hold 100 per cent of the shares in the share capital of Aero2, which is in line with the strategy of the Midas Group. The Merger of the Company with Conpidon will be effected by way of: transferring to the Company, as the sole shareholder of Conpidon, all of the assets of Conpidon via universal succession, and dissolving Conpidon without liquidating it, in accordance with the provisions of the Commercial Companies Code (the "CCC"), the Companies Law of Cyprus and the provisions of Directive 2005/56/EC of the European Parliament and of the Council. Following the Merger, the Company will, as of the date of the merger, enter into any and all rights, obligations, assets and liabilities of Conpidon. Pursuant to the CCC, due to the fact that the Company holds all of the shares in Conpidon, the Merger will occur without increasing the Company's share capital, and the merger plan will not be evaluated by an expert. Detailed information about the proposed Merger was published in

Current Reports No. 14/2013 and 15/2013. On 17 May 2013, the Management Board of the Company prepared and published (Current Report No. 20/2013) a Report of the Management Board justifying the Merger. On 21 June 2013, the OGM passed resolution No. 21/2013, pursuant to which it approved the Merger and authorised the Management Board of the Company to execute all actions required to perform the merger procedure.

24. Subsequent events

On 1 August 2013, the companies Aero2, CenterNet and Mobyland (the "Guarantors") concluded with Alior Bank S.A. ("Alior Bank") an guarantee agreement for the joint security of the Company's liabilities from an Investment Credit Agreement in the amount of PLN 150 million, for the duration of the Credit as set forth in the Credit Agreement, i.e., until 31 March 2018. The amount of each of the above joint guarantors was set at PLN 300 million. The Company points out that each of the Guarantors is an entity which is a 100-per cent subsidiary of the Company, whereas no ties exist between the Guarantors and Alior Bank or between the Company and Alior Bank. The Company published information on this event in Current Report No. 31/2013.

On 22 July 2013, Midas granted a loan to Aero2 in the amount of PLN 16,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin. The maturity date of the loan is subject to the maturity date of the bonds.

On 22 August 2013, Midas granted a loan to Aero2 in the amount of PLN 2,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin. The maturity date of the loan is subject to the maturity date of the bonds.

On 22 August 2013, Midas granted a loan of PLN 9,000,000 to Aero2. The loan is secured and subject to repayment in full together with interest due on 31 December 2013. The loan bears interest at 1M WIBOR + margin.

On 22 August 2013, Midas granted a loan to Mobyland in the amount of PLN 17,000,000. The loan is secured. The loan bears variable interest, calculated on the basis of the cost of capital for Midas (i.e. on the basis of the discount rate on the bonds issued on 16 April 2013 by Midas), increased by a margin. The maturity date of the loan is subject to the maturity date of the bonds.

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD:

Krzysztof Adaszewski	Maciej Kotlicki	Dariusz Łukasiewicz
/President of the Management Board/	/Vice-President of the Management Board/	/Vice-President of the Management Board/

SIGNATURE OF THE PERSON ENTRUSTED TO MAINTAIN THE BOOKS OF ACCOUNT:

Teresa Rogala
/on behalf of SFERIA
Spółka Akcyjna/

Warsaw, 2 September 2013