

Current Report No. 40/2012

Drawn up on: 4 September 2012

Subject: Decision not to continue the negotiations with Huawei covered by the Letter of Intent

Legal basis: Article 56 par. 5 of the Public Offering Act - update of information

Content of the report:

Referring to (i) Current Report No. 39/2012 of 3 September 2012 concerning conclusion by a subsidiary of NFI Midas S.A. (the "Fund"), Aero 2 Sp. z o.o. ("Aero2"), with Nokia Siemens Networks Sp. z o.o. ("NSN"), an agreement for the delivery, integration and maintenance of elements of the mobile access telecommunication network and a maintenance agreement (the "Agreements with NSN"), (ii) Current Report No. 36/2012 of 23 July 2012, on changing the nature of the involvement of Huawei Polska Sp. z o.o. with its registered office in Warsaw ("Huawei") in building a nationwide telecommunication network using the HSPA+ technology (relying on the 900 MHz frequency), LTE FDD (relying on the 1800 MHz frequency), LTE TDD (relying on the 2600 MHz frequency), (iii) Current Report No. 35/2012 of 23 July 2012 concerning the conclusion by Aero2 and Ericsson Sp. z o.o. ("Ericsson") an agreement for the delivery, integration and maintenance of elements of the mobile access telecommunication network and a maintenance agreement (the "Agreements with Ericsson") and (iv) Current Report No. 75/2011 of 27 October 2011 concerning the conclusion of a letter of intent (the "Letter of Intent") by the Fund with Huawei, the Management Board of the Fund makes it known that as a result of jointly negotiating the conditions and signing the Agreements with NSN and Agreements with Ericsson by Polkomtel Sp. z o.o. and Aero 2, the primary source of supplies of LTE telecommunications equipment for Aero2, and thus also the Fund's Capital Group (the "Midas Group") was formed, as a result of which negotiations with Huawei on matters covered by the Letter of Intent will not be continued.

Furthermore, the Fund notes that Aero2 and Huawei are bound by the agreements referred to in par. 22.10.5 of the Prospectus approved by the Polish Financial Supervision Authority on 8 February 2012 and thus Huawei remains a material business party for the Midas Group. Moreover, the Fund does not exclude the possibility of branching out into other areas of cooperation. However, while the Midas Group does not rule out the possibility of purchasing telecommunication equipment also from other vendors, Ericsson and NSN will be the primary suppliers of elements of the LTE telecommunication network.

The Fund also notes that it is still in talks with financial institutions with regard to obtaining financing for expanding the network. The process is also supported by the network element suppliers.