

POLISH FINANCIAL SUPERVISION AUTHORITY
Current Report No. 49/2012

Drawn up on: 2012-11-05

Abbreviated name of the issuer
MIDAS

Subject
Signing of understandings with banks on basic conditions of credit as part of obtaining financing for the development of the Midas Group.

Legal basis
Article 56 par. 1 pt. 1 of the Public Offering Act - confidential information

Content of the report:

In reference to Current Report No. 40/2012 of 4 September 2012, in which the Management Board of NFI Midas S.A. (Fund) reported on ongoing talks with financial institutions on obtaining financing for the development of its network, the Fund announces that, on 5 November 2012, within those talks, it accepted (signed) a Preliminary Offer of the basic conditions of credit submitted to the Fund by Bank Zachodni WBK S.A. and Banco Santander S.A. (Term Sheet 1), and also signed Conditions of Financing for Investment Credit by Alior Bank S.A. (Term Sheet 2). The above documents (Term Sheets) constitute the basis for further negotiations and for drawing up credit agreements and other agreements on the conditions described below.

The subject of Term Sheet 1 signed with Banco Santander S.A. and Bank Zachodni WBK S.A. (jointly Bank 1) is secured trade credit (Credit 1) in the amount of PLN 364 million. The purpose of Credit 1 is to finance the development of a commercial telecommunications network in Poland (the Project) carried out by the Fund on the basis of framework agreements for the supply, integration and maintenance of access elements of the telecommunications network concluded with Ericsson and Nokia Siemens Networks (the Fund reported on the conclusion of those agreements in Current Report No. 35/2012 of 23 July 2012 and No. 39/2012 of 3 September 2012, respectively). Credit 1 is to be granted for a period of 7 years, where the period within which the Fund will be able to utilise the allotted amount of Credit 1 is a maximum of 3 years (Availability Period). In the Availability Period, the interest on Credit 1 will be variable, calculated on the basis of the WIBOR 6M rate increased by the margin of Bank 1. In the remaining period, the interest on Credit 1 will be fixed, and determined at market level. Repayment of the principal of Credit 1 is to take place in 8 equal semi-annual instalments, where the first instalment is due 6 months following the completion of the Credit 1 Availability Period. Interest will be calculated on the basis of the principle amount of Credit 1 used and remaining to be repaid, in reference to the above rules of interest for Credit 1, and will be payable in quarterly instalments. The Management Board of the Fund points out that the above-described conditions of granting and charging interest on Credit 1 are subject to the approval of the Swedish and Finnish export agencies, and may therefore be changed. The Management Board of the Fund plans to allocate funds from Credit 1 for financing Phase III of the development of the telecommunications network, comprising, inter alia, the construction of 700 base stations and the optimisation of the telecommunications network.

Security for Credit 1 will consist of: an insurance policy issued by the Swedish and Finnish export agencies, an assignment of wholesale agreements signed or to be signed in the future with Polkomtel, a pledge on assets of the Project (telecommunications network elements), a pledge on shares and ownership interests in subsidiaries of the Fund, a pledge on frequencies held by subsidiaries of the Fund, a letter of support from the main shareholder of

the Fund, a cash deposit in a minimum amount of 10% of the value of Credit 1, and an interest rate swap (IRS).

Term Sheet 1 is governed by British law. The above-described main conditions of Term Sheet 1 will become binding provided that: (a) there are no disadvantageous changes in the political and economic situation in Sweden, Finland or Poland, or in the business or financial condition of the Fund, (b) there are no disadvantageous changes in the business, operational, financial condition of the Fund or of its prospects or of its subsidiaries, understood as the capital group, which could affect its ability to punctually discharge its liabilities resulting from Term Sheet 1, (c) the conditions are given final approval by Bank 1 and the Swedish and Finnish export agencies.

The subject of Term Sheet 2 signed with Alior Bank S.A. (Bank 2) is investment credit (Credit 2) in the amount of PLN 150 million. The purpose of Credit 2 is to finance the development of the telecommunications network by companies belonging to the Midas Capital Group (the Group). Credit 2 is to be granted for a period of 5.5 years, where the period within which the Fund will be able to utilise the allotted amount of Credit 2 has been agreed as 2 years. The interest on Credit 2 will be variable, calculated on the basis of the WIBOR 1M rate increased by the margin of Bank 2. Repayment of Credit 2 is to take place in 12 quarterly instalments. The amount of the first three instalments is PLN 1.5 million, and of the remaining instalments, except for the last in the amount of PLN 15.9 million, is PLN 16.2 million. Payment of the first of those instalments will be due on 30 June 2015. The Management Board of the Fund plans to allocate funds from Credit 2 for financing Phase II of the development of the telecommunications network, comprising, inter alia, joining 3,400 base stations to the telecommunications network on the basis of cooperation with Polkomtel Sp. z o.o.

Security for Credit 2 will comprise: (i) a mortgage on a real property situated in Warsaw at ul. Ostrobramska 77 (the Property) together with an assignment of rights from an all-risk insurance policy for the amount of PLN 150 million (the Mortgage), (ii) a surety by Inwestycje Polskie Sp. z o.o. (Inwestycje Polskie) granted for a period of one year from the date of submission of an application to establish the Mortgage together with a declaration on submission to enforcement for the amount of 200% of the amount of Credit 2, (iii) a confirmed assignment of lease agreements to premises on the Property concluded by Inwestycje Polskie with tenants (the Assignment), (iv) a civil law surety by CenterNet S.A., Mobyland Sp. z o.o., AERO2 Sp. z o.o. together with declarations on submission to enforcement for the amount of 200% of the amount of Credit 2, (v) a power of attorney to the Fund's bank account in Bank 2, and (vi) a declaration on submission to enforcement for the amount of 200% of the amount of Credit 2, signed by the Fund.

Conditions for the Fund to utilise Credit 2 will include (i) a documented own contribution in the amount of PLN 50 million, (ii) the documented distribution of bonds issued by the Fund or another entity of the Group having a value of at least PLN 200 million and the punctual repurchase due after the date on which Credit 2 is repaid or, in the case of an entry permitting the bondholder to demand early repurchase, a documented commitment by Mr Zygmunt Solorz-Żak that if, as a result of such a demand, the value of the issue falls below the amount of PLN 200 million, Mr Solorz-Żak or an entity appointed by him will additionally take up the bonds issued on the conditions of the repurchased bonds such that, up to the time when Credit 2 is repaid, the total liabilities from the bonds issued is not less than PLN 200 million, (iii) the provision to Bank 2 of proof that an application to enter a contractual mortgage on the property constituting the subject of the security has been submitted, (iv) the establishment of other legal security for the transaction, (v) the provision to Bank 2 of the documents specified in Term Sheet 2, including the relevant consents of the corporate bodies of the Group for drawing down the credit and establishing the security specified in the agreement.

In accordance with the provisions of Term Sheet 2, the Borrower will be obliged, inter alia, (i) to provide Bank 2, within the time periods established, with the documents specified in Term Sheet 2, (ii) to direct turnover from the business activities of the Fund, CenterNet S.A., Mobyland Sp. z o.o. and AERO2 Sp. z o.o. to accounts maintained in Bank 2, (iii) to maintain inflows to the current account of the above companies in Bank 2 at a total level of not less than 50% of the average monthly consolidated revenues from sales of services of the above companies, (iv) not to incur or allow additional financial liabilities of the Fund during the period of validity of Term Sheet 2 without informing the Bank in advance, (v) to cover from its own funds investment outlays exceeding the value of the investment budget, (vi) to maintain, by a transfer account, inflows of at least PLN 20 million annually from the owner of the property constituting security for the transaction, (vii) not to restrict or encumber its rights to its movable assets for the benefit of entities other than Bank 2 during the life of Term Sheet 2 (including not to establish any pledge or alienation), and not to establish a mortgage on any real property whatsoever to which the Fund holds ownership title or a right of perpetual usufruct for the benefit of any entity other than Bank 2 without informing Bank 2 in advance.

The Fund announces that the conditions of Term Sheet 2 have been approved by all of the required decision-making bodies of Bank 2, and therefore should not be subject to any essential changes.

The Fund points out that Term Sheet 1 and Term Sheet 2 in no way constitute a binding agreement, but set out the basic conditions on which Bank 1 and Bank 2 have agreed to make financing available to the Fund for the development of the telecommunications network. On the basis of those conditions, the Fund, Bank 1 and Bank 2 will negotiate the detailed provisions of credit agreements and other legal documents, including agreements concerning security for the repayment of Credit 1 and Credit 2. In the event that such agreements are concluded, the Fund will promptly make relevant announcements in separate current reports.

NARODOWY FUNDUSZ INWESTYCYJNY MIDAS S.A.

(full name of the issuer)

MIDAS	Other finances (fin)
(abbreviated name of the issuer)	(sector according to the classification of the Warsaw Stock Exchange)
00-660	Warsaw
(post code)	(city)
ul. Lwowska	19
(street)	(number)
22 249 83 10	22 249 83 13
(telephone)	(fax)
biuro@midasnfi.pl	www.midasnfi.pl
(e-mail)	(www)
525-10-06-698	010974600
Tax identification number (NIP)	Statistical identification number (REGON)

SIGNATURES OF THE PERSONS REPRESENTING THE COMPANY

Date	Name and surname	Position	Signature
2012-11-05	Krzysztof Adaszewski	Member of the Management Board	
2012-11-05	Maciej Kotlicki	Member of the Management Board	