

Current Report No. 6/2013

Drawn up on: 8 March 2012

Abbreviated name of the issuer: MIDAS

Subject: Conclusion of an agreement to establish a pledge on assets of significant value

Legal basis: Article 56 par. 1 pt. 2 of the Public Offering Act - current and periodic information

Content of the report:

With reference to Current Report No. 5/2013 of 7 March 2013 concerning the adoption of a resolution on a series A bonds issue (the "Bonds"), the Management Board of Midas S.A. (the "Issuer") announces that on 7 March 2013 the Issuer, the Issuer's subsidiary Conpidon Limited ("Conpidon", and, together with the Issuer, the "Pledgor") and BondTrust Polskie Towarzystwo Powiernicze S.A. ("BondTrust PTP", the "Pledge Administrator", the "Security Administrator" - with regard to other security than a registered pledge) concluded an agreement to establish a registered pledge on shares and interests and to establish other forms of security of the Bonds ("Pledge Agreement").

The Pledge Agreement provides for:

- (i) the establishment of security in the form of an in blanco promissory note issued by the Issuer together with a promissory note declaration in favour of the Security Administrator, a declaration by the Issuer on submission to the enforcement procedure, and a pledge within the meaning of Article 306 of the Civil Code ("Civil Pledge") on the Subject of the Pledge defined below, in favour of the Security Administrator, securing payment of the promissory note amount under the aforementioned in blanco promissory note, as a future receivable,
- (ii) appointing BondTrust PTP as the administrator of the Registered Pledge, within the meaning of Article 4 par. 3 and 4 of the Act on Registered Pledges and the Pledge Register,
- (iii) establishing a registered pledge on the Subject of the Pledge (the "Registered Pledge").

In performance of the Agreement, the Issuer established security for the Bonds in the form of its own in blanco promissory note issued and submitted to BondTrust PTP, together with a promissory note declaration authorising BondTrust PTP to fill in the promissory note to an amount equivalent to 120 per cent of the total maximum par value of the Bonds, i.e. PLN 720,000,000 and in the form of the aforementioned declaration on submission to enforcement up to the aforementioned amount. Both these forms of security are independent in character with respect to the Registered Pledge and bind the Issuer until the satisfaction of all receivables secured arising from the Bonds issue, indicated in the aforementioned Current Report No. 5/2013 ("Secured Receivables"), or the adoption by the Bondholders Meeting of a resolution on abolishing that security.

To secure the future receivable for payment of the promissory note amount, the Pledgors established, by virtue of the Agreement, a Civil Pledge in favour of BondTrust PTP on each of the Subjects of the Pledge, namely:

a) 204,200 interests in Mobyland Sp. z o.o. ("Mobyland") with a par value of PLN 500 each interest and a total par value of PLN 102,100,000, owned by the Issuer, giving 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 the total amount of PLN 262,011,000. The Issuer's interests in Mobyland have the character of a long-term investment.

b) 221,000 interests in Aero 2 Sp. z o.o. ("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. Conpidon's interests in Aero2 have the character of a long-term investment.

c) 4,264,860 shares in Centernet S.A. ("Centernet") with a par value of PLN 17.30 each share and a total par value of PLN 73,782,078, owned by the Issuer, 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. The Issuer's interests in Centernet have the character of a long-term investment.

The total recorded value of encumbered assets in the Issuer's accounting books (with respect to shares in CenterNet and interests in Mobyland) is PLN 417,759,000. The total recorded value of encumbered assets in Conpidon's accounting books (with respect to interests in Aero2) is PLN 102,304,000.

The Subject of the Pledge will not change if the final total par value of the Bonds issued will be lower than the maximum amount, i.e. PLN 600,000,000. The value of the Secured Receivables (and thus of the promissory note amount), i.e. liabilities secured by restricted rights in rem on assets (Civil Pledge and Registered Pledge), will not exceed PLN 720,000,000.

The Pledge Administrator will not exercise corporate rights under the Subject of the Pledge on the basis of the Civil Pledge and Registered Pledge.

At the moment of an effective establishment of the Registered Pledge, the Civil Pledge will expire, and the contractual provisions concerning the establishment of the Civil Pledge will be independently dissolved.

In accordance with the content of the Pledge Agreement, in order to secure the Secured Receivables the Pledgors establish Registered Pledges on each of the Subjects of the Pledge up to the amount of PLN 720,000,000, constituting the highest security amount. If the final total par value of the Bonds issued will be lower than the maximum amount, i.e. PLN 600,000,000, the highest security amount will be lowered to an amount not less than 120 per cent of the aforementioned final total par value of the Bonds. The Registered Pledge will secure only the Secured Receivables.

By virtue of the Pledge Agreement, the Pledgors undertook to submit applications for an entry in the pledge register and to ensure that an entry is made for the Registered Pledge in the pledge register. Subject to the provisions of the issue conditions of the Bonds, the Pledgors undertook, with respect to the Pledge Administrator, until the repurchase of the Bonds, among other things not to dispose of or encumber all or part of the Subject of the Pledge without the prior written consent of the Pledge Administrator until the Registered Pledge expires, to carry out without delay all information and

notification obligations, with respect to the Pledge Administrator, imposed on the Issuer in the issue conditions and on the Pledgors in the Pledge Agreement, and also to guarantee the Pledge Administrator the right to examine the Subject of the Pledge and documentation concerning the Subject of the Pledge.

The expiry or discontinuance of any security or the Registered Pledge will not influence the other security or other rights specified in the Pledge Agreement.

The Pledge Agreement was concluded with the Issuer's subsidiary – Conpidon – and with an entity not related to the Issuer – BondTrust PTP. The Subject of the Civil Pledge and the Registered Pledge is interests and shares in direct and indirect subsidiaries, i.e. Mobyland, Centernet and Aero2. Mr Krzysztof Adaszewski, acting President of the Management Board of the Issuer, at the same time exercises the function of a member of the Management Board of Aero2. There are no other connections, apart from those mentioned above, between the Issuer and persons managing or supervising the Issuer and the aforementioned entities and persons managing them.

The criterion being the basis for regarding assets as assets of a significant value is their value exceeding 10 per cent of the Company's equity.