

**Reports and evaluations
of the Supervisory Board**



**Stalexport Autostrady S.A.
in Katowice
for 2010**

Katowice, March 2011

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The Report was drawn up pursuant to the following regulations:

- Code of commercial companies - art. 382 §3,
- „The WSE Listed Companies Good Practices – section 1 point 1) and 2), Part III of the enclosure to the resolution no 12/1170/2007 of the WSE Supervisory Board dated 4.07.2007,
- Statutes of Stalexport Autostrady S.A.,
- Regulations of the Supervisory Board of Stalexport Autostrady S.A.

I. Report of the Supervisory Board of Stalexport Autostrady S.A. in Katowice on the activity in the year 2010

1. Subject and period of the report

The report on the activity of the Supervisory Board of Stalexport Autostrady Joint Stock Company with its seat in Katowice („The Company”) covers the period from 1 January 2010 to 31 December 2010.

2. Legal basis of the Supervisory board actions

The Supervisory Board performed its functions on the basis of art. 382 and the following ones of the Code of commercial companies, the appropriate provisions of the Company’s Statutes and the Supervisory Board’s Regulations (available on the corporate website of Stalexport Autostrady).

3. Number of members and the composition of the Supervisory Board

Pursuant to §14 of the Company’s Statutes, the Supervisory Board is composed of 5 to 9 members chosen for a period of a joint term which lasts three years. The General Meeting appoints and dismiss members of the Supervisory Board determining in advance the number for a given term.

The General Meeting on 30 March 2009 in resolution no 22 decided that the Supervisory Board of VII term (2010-2012) will be composed of eight members.

From 01 January 2010 to the day of drawing up the report the composition of the Supervisory Board changed as follows:

- From 01 January 2010 to 30 March 2010 - the Supervisory Board was acting in the following composition:

- | | | | |
|----|--------------|------------|------------------|
| 1. | Roberto | Mengucci | - Chairman |
| 2. | Aleksander | Galos * | - Vice –Chairman |
| 3. | Michelangelo | Damasco | - Secretary |
| 4. | Dario | Cipriani * | |
| 5. | Costantino | Ivoi | |
| 6. | Massimo | Lapucci | |
| 7. | Tadeusz | Włudyka * | |

- On 30 March 2010 the Ordinary General Meeting appointed the members of the Supervisory Board for VII term in the following composition:

* the independent member

- | | | | |
|----|--------------|------------|------------------|
| 1. | Roberto | Mengucci | - Chairman |
| 2. | Aleksander | Galos * | - Vice –Chairman |
| 3. | Michelangelo | Damasco | - Secretary |
| 4. | Dario | Cipriani * | |
| 5. | Costantino | Ivoi | |
| 6. | Christopher | Melnyk | |
| 7. | Massimo | Lapucci | |
| 8. | Tadeusz | Włudyka * | |

The first meeting of the Supervisory Board of VII term was held on 15 April 2010 on which Mr Roberto Mengucci was re-elected as the Chairman of Supervisory Board.

Mr Dario Cipriani resigned from the membership in the Supervisory Board as from 06.10.2010, and the Company disclosed that information in the current report no 13 dated 12.10.2010).

The Extraordinary General Meeting on 22.12.2010 in resolution no 3 decided that the Supervisory Board of VII term (2010-2012) shall be composed of seven members. On 30.07.2009 the first meeting of the Company's Supervisory Board was held in the new composition, at which Mr. Roberto Mengucci was appointed as the Chairman of the Supervisory Board.

In connection with the above from 7 October 2010 to the day of drawing up the report, the Supervisory Board was acting in the following composition:

- | | | | |
|----|--------------|-----------|------------------|
| 1. | Roberto | Mengucci | - Chairman |
| 2. | Aleksander | Galos * | - Vice –Chairman |
| 3. | Michelangelo | Damasco | - Secretary |
| 4. | Dario | Cipriani | |
| 5. | Christopher | Melnyk | |
| 6. | Costantino | Ivoi | |
| 7. | Massimo | Lapucci | |
| 8. | Tadeusz | Włudyka * | |

4. Basic forms and directions of the Supervisory Board's activity

The Supervisory Board constantly supervised the activity of the Company in 2010 in all domains and also performed duties and exercised powers resulting from the provisions of the Statutes, the Code of commercial companies and other provisions of the law.

The Supervisory Board performed its duties jointly, what means that the actions of the Supervisory Board were performed, first of all, at the meetings. In the reporting period, the Supervisory Board held 3 recorded meetings, in the composition which enabled the Board to pass the resolutions. The meetings of the Supervisory Board with the participation of the members of the Supervisory Board and the Management Board were held in Katowice. All absences of the Supervisory Board's members from the meetings were justified.

* independent member

During the meetings the Supervisory Board examined the issues resulting from the provisions of the Code of commercial companies as well as from the current Company's activity. The Board dealt with matters which in accordance with generally applicable law are included in competence of the Supervisory Board.

In 2010 the Supervisory Board passed 34 resolutions, three of which were passed in so called "circular mode", i.e. in the periods between the meetings. The resolutions were passed after prior analysis and discussion of examined cases.

The Supervisory Board supervised the activity of the Company by reviewing the documents presented by the Management Board. In 2010 the Supervisory Board focused especially on:

- the financial standing of the Company, including the periodic reports on the activity,
- the periodic reports on performance of the Company's budget,
- the Company's investments plan,
- the activity and the preparations of the Company concerning the current and future motorways tenders,
- the motorway activity of the Capital Group.

5. Report on the activity of the Supervisory Board's committees in 2010

Acting under §25 section 2 of the Regulations of Stalexport Autostrady's Supervisory Board and in accordance with Best Practices of the Companies listed on WSE, including in particular, best practices implemented by the members of the supervisory boards – the Board appointed the Audit Committee and the Management Board's Remuneration Committees out of its composition.

As at 1 January 2010 the committees of the Supervisory Board acted in the following composition:

1) Audit Committee:

- Massimo Lapucci - Chairman
- Dario V.Cipriani
- Costantino Ivoi

2) Remuneration Committee:

- Roberto Mengucci - Chairman
- Aleksander Galos
- Tadeusz Włudyka
- Costantino Ivoi

On 15 April 2010 the members of the Supervisory Board in resolutions no 22/2010 and 23/2010 appointed the unchanged compositions of Audit and Remuneration Committees for the VII term of the Supervisory Board – with the following difference: Mr Costantino Ivoi was appointed the new Chairman of the Audit Committee.

As at 31 December 2010 the Supervisory Board's committees were acting in the following composition:

1) Audit Committee:

- Costantino Ivoi – Chairman
- Massimo Lapucci

2) Remuneration Committee:

- Roberto Mengucci – Chairman
- Costantino Ivoi
- Aleksander Galos
- Tadeusz Włudyka

As Mr Dario Cipriani resigned the composition of Audit Committee was supplemented by the Supervisory Board's resolution no 1/2011 of 09.02.2011 and at present it has been acting in the composition:

- Costantino Ivoi – Chairman
- Aleksander Galos
- Massimo Lapucci

The committees acted on the basis of regulations passed by Supervisory Board which are enclosed to the Supervisory Board's Regulations. The Regulations are available on Company's corporate website.

The aforementioned Committees analyzed the Company's financial statements, the principles, forms and level of remuneration of the Management Board's members, and presented the motions and proposals to the Supervisory Board in this respect.

5.1. Report on the activity of the Audit Committee

The Audit Committee focused its activity especially on analysis of the financial statements of Stalexport Autostrady S.A. and its Capital Group for the turnover year from 01 January 2010 to 31 December 2010 and on review of half year financial statements drawn up in 2010.

5.2. Report of activity of the Remuneration Committee

Remuneration committee evaluated:

- the execution of premium tasks which are the basis for granting annual bonus to the Management Board's members for 2009,
- three year incentive plan for the Management Board's members for period from July 2009 to June 2012,
- the bonus tasks for the Management Board's members for 2010,

Considering the above the Supervisory Board positively evaluates the work of the Board's committees in 2010.

II. Assessment of the Supervisory Board's work

The Supervisory Board of Stalexport Autostrady S.A. in accordance with „WSE Listed Companies Good Practices” Part III of the enclosure to the resolution no 17/1249/2010 of the WSE Supervisory Board dated 19 May 2010) evaluated its work in 2010 and it presents the evaluation to the Ordinary General Meeting.

Part III. Rule no 1

In addition to its responsibilities laid down in legal provisions the supervisory board should:

- 1) once a year prepare and present to the Ordinary General Meeting a brief assessment of the Company's standing including an evaluation of the internal control system and the significant risk management system,
- 2) once a year prepare and present to the Ordinary General Meeting an evaluation of its work,
- 3) review and present the opinions on issues subject to resolutions of the Ordinary General Meeting.

Commentary: rule respected.

Part III. Rule no 2

A member of the Supervisory Board should submit to the company's Management Board information on any relationship with a shareholder who holds shares representing not less than 5% of all votes at the General Meeting. This obligation concerns financial, family, and other relationships which may affect the position of the member of the Supervisory Board on issues decided by the Supervisory Board.

Commentary: rule respected.

Part III. Rule no 3

A General Meeting should be attended by members of the Supervisory Board who can provide substantive answers to questions during the General Meeting.

Commentary: rule respected.

Part III. Rule no 4

A member of the Supervisory Board should notify any conflicts of interest which have arisen or may arise to the Supervisory Board and should refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.

Commentary: rule respected.

Part III. Rule no 5

A member of the Supervisory Board should not resign from his function if this action could have a negative impact on the Supervisory Board's capacity to act, including the adoption of resolutions by the Supervisory Board.

Commentary: rule respected.

Part III. Rule 6

At least two members of the Supervisory Board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the Supervisory Board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.

Commentary: Rule respected. There are two independent members in the Supervisory Board.

Part III. Rule no 7¹ (repealed)Part III. Rule no 8

Annex I to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors (...)* should apply to the tasks and the operation of the committees of the Supervisory Board.

Commentary: rule respected.

Part III. Rule no 9.

Concluding an agreement/ transaction by the company with the associated entity, fulfilling conditions mentioned in part II point 3, requires an approval of the supervisory board.

Commentary: rule respected.

Summing up, the Supervisory Board in its activities took into account the Company's interest. It performed its duties properly and held the meetings as frequently as necessary to deal currently with the issues the Board is responsible for.

Both the composition of the Supervisory Board and the knowledge as well as the experience of its members secured the proper and efficient functioning of the Board and technical supervision over the Company's activity in 2010.

III. Report on the results of evaluation:

- A) the Management Board's reports on the performance of Stalexport Autostrady S.A. and the separate financial statement,**
 - B) the Management Board's reports on the performance of Stalexport Autostrady's Capital Group and the consolidated financial statement,**
- for the turnover year 2010 in the range of their conformity with the books and actual state.**

The Supervisory Board fulfilling its statutory duties, reviewed and evaluated the following statements drawn up in accordance with International Accounting Standards:

- 1) separate financial statement of Stalexport Autostrady S.A. - for period from 01.01.2010 to 31.12.2010,
- 2) consolidated financial statement of Stalexport Autostrady's Capital Group - for period from 01.01.2010 to 31.12.2010.

Pursuant to the provisions of the Act on accounting, KPMG Audyt Sp. z o.o. in Warsaw, chosen by the Supervisory Board, audited the Company's financial statement for the period from 01 January 2010 to 31 December 2010.

The financial statements for 2010 were evaluated by Audit Committee of the Supervisory Board during the meeting on 01 March 2011 with participation of a representative of KPMG Audyt Sp. z o.o. in Warsaw, the Company's auditor. Chief Accountant, Vice-President of the Management Board – CFO and Director of Finance Management Division also participated in the meeting.

Performing the duties resulting from art. 382 §3 of Code of commercial companies, the Supervisory Board evaluated the audited financial statement of Stalexport Autostrady S.A. and consolidated financial statement of Stalexport Autostrady's Capital Group as well as the Management Board's report on performance of the Company and the Capital Group FY2010. It stated that they were drawn up in conformity with books and the Company's documents, actual state and they present in proper way – *in all areas* – the financial standing of the Company and Stalexport Autostrady's Capital Group.

While carrying out the above evaluation, the Supervisory Board focused in particular on transparency and openness of financial reports, which aim was to obtain a true and precise picture of the situation of Stalexport Autostrady S.A.

Both the Management Board of the Company as well as the auditing company presented the existing material risks to the Supervisory Board in a proper way and carried out a conservative evaluation of the assets components, according to the binding rules of law.

IV. Evaluation of the Company's situation (resulting from applying the Best Practices of the Companies listed on WSE)

The Supervisory Board of Stalexport Autostrady S.A., acting according to the Best Practices of the Companies listed on WSE, including in particular, best practices implemented by the members of the supervisory boards - carried out a concise evaluation of the Company's situation with remarkable consideration of the system of internal control and risk managing systems essential for the Company. This evaluation was carried out on the basis of knowledge of the Supervisory Board's members updated on the day of drawing it up and on the basis of statements FY 2010.

In previous years Stalexport Autostrady S.A. accomplished the strategic goal – *important in view of the future performance of the Company, its further development and market position* – by winning over a strong strategic investor from the motorway business, ie. Autostrade per l'Italia S.p.A, whose share now in equity stands at 56.24 %.

The business support of Atlantia Group experience cannot be underestimated. This Group currently manages a network of nearly 4,000 km of toll motorway in Europe, USA, Brazil and Chile and it is a leader in systems for automatic toll collection on motorways. Atlantia S.p.A., to which Autostrade per l'Italia S.p.A. belongs, is listed on the Milan Stock Exchange and its market value as at 31 December 2010 amounted to euros 9.2 billion.

The detailed analysis of the situation of Stalexport Autostrady S.A. in 2010 was presented in the Financial statement and in the Report of the Management Board for 2010. The Supervisory Board agree with the opinions of the Management Board presented there concerning, inter alia, the macroeconomic circumstances, the direct market environment of the Company, the analyses and the evaluation of the financial standing. The above reports comprise the most important information about activities of Stalexport Autostrady S.A. in 2010.

In the Supervisory Board' opinion the year 2010 was successful for Stalexport Autostrady S.A. and its Group. The results reflect more and more efficient use of assets of Stalexport Autostrady CG. The significant level of liquidity ratios means that the Company accumulates the funds necessary to implement future motorway projects. The low value of the debt ratios at 31 December 2010 confirms the financial stability of Stalexport Autostrady S.A.

One of the priorities of the European Union is the expansion and modernization of the existing infrastructure network linking the countries in the European continent, as a key factor necessary to create and develop a common market and to ensure economic and social coherence. The Trans-European Networks Programme described in the Report of the Management Board, operating within the internal market of the European Union including, inter alia the area of Trans-European Networks Transport and "National Road Construction Programme for the period 2011-2015", recently adopted by the Polish government, creates a potential market for the Company and the entities belonging to the CG of Stalexport Autostrady S.A..

The Management Board of Stalexport Autostrady S.A. is responsible for the internal control system and its efficiency as far as the drawing up of the financial statements are concerned. The internal control and risk managing systems in relation to the process of drawing up the financial statements have been implemented on the basis of the procedures in this respect, being in force in Stalexport Autostrady S.A. It enables monitoring of the level of liabilities, controlling the costs' level and the results. The financial data which are the basis for financial statements and periodic reports come from accounting-financial system IMPULS (the register of the documents consistent with Company's accounting policy based on the International Accounting Standards).

The financial statements are drawn up by the financial –accounting staff under the control of the Chief Accountant of the Company and next verified by Vice-President and CFO in cooperation with the Finance Management Division Director, and its final contents are approved by the Management Board in its resolution.

The financial statements approved by the Management Board are verified by the independent auditor – chartered accountant (KPMG Audyt Sp. z.o.o in 2010), chosen by the Supervisory

Board of the Company. Then according to §18 passage 2 point 1 of the Company's Statutes, the Supervisory Board - following the recommendation of its Audit Committee, each year evaluates the audited financial statements of the Company and the Capital Group in the range of their conformity with books and documents as well as with the actual state, and it informs the shareholders about the results of this evaluation in its annual Report.

The Company has been systematically monitoring the external provisions and regulations relating to the requirements of the stock exchange reporting and it takes steps to implement them properly.

Political and economic stability is one of the main conditions to ensure steady development of the motorway business.

The basic premises of economic and financial risks are – in case of decline in the growth of economic development - a potential decrease in traffic and in consequence the reduction of income. The Company reduces this risk by applying appropriate pricing policies, as well as taking action to improve the quality of customer service by developing toll plazas on its motorway section and by currently implemented replacement of toll collecting equipment, allowing customers to diversify the forms of payment for the use of the motorway.

In case of participation in tenders for development of motorway infrastructure, the worsening investment climate is a significant risk factor which can impede obtaining long-term investment capital. The market in Poland, also the Company has experienced this two years ago, when, owing to lack of financing had to withdraw from the tender for the construction and operating of the A2 motorway section between Stryków and junction Konotopa.

The Company has been trying to minimize such risks, among others through continuous cooperation with financial institutions having extensive knowledge and experience in the sector of infrastructure projects, such as entities of the Group Atlantia SpA, attending public consultations aimed at developing and implementing innovative solutions in this regard, involving, among others the allocation of risks in the infrastructure projects and placing them on the side of those who can best manage them.

Instability of institutional and legal environment governing the sector of infrastructure in Poland were the main group of legal and political risks. The Company has been trying to counter these risks, by inter alia promoting good practices and solutions aimed at creating an appropriate legal framework for the implementation of infrastructure projects, active participation in public discussion on new legislative solutions

Information on financial instruments, the risks relating to them as well as targets and methods of financial risk management adopted by the Company are described in note 29 to the unconsolidated financial statement of Stalexport Autostrady S.A.

Among the external factors relevant to the development of the Company and the Group The Board indicates the proposal to the General Directorate for National Roads and Motorways and Minister of Infrastructure regarding the amendment of the Concession Agreement. Any changes to the Concession Agreement requires the consent of the Management Board of Stalexport Autostrada Malopolska SA and its Supervisory Board, and the consent of the banks financing the project. The intention of Stalexport Autostrady CG is not to make any changes to the Concession Agreement, which could have a negative impact on the current or future legal and economic situation of Stalexport Autostrada Malopolska SA (concessionaire of toll motorway A4 Katowice-Krakow) and the Capital Group. The Supervisory Board shares this view.

The Supervisory Board considers it worth noting that the Management Board of the Company has adopted for use the Ethic code starting from 01.01.2010, reflecting the ethic values, which Stalexport Autostrady approves and respects. Stalexport Autostrady S.A. in its activities follows the rules of comprehensive approach to governance, transparency of financial information and compliance with ethical standards in all arrears of business.

The Supervisory Board, after having reviewed the Management Board's report on the Company's activities in 2010, states that it comprises necessary information relating to the operation of the in the financial year and it assesses them positively.

Summing up the Supervisory Board did not state any irregularities in the Management Board's work as well as in the activity of Stalexport Autostrady S.A. It positively evaluates both the Company's situation and the Management Board's activity.

V. Assessment of the Management Board's motion concerning 2010 net profit distribution

The Supervisory Board, under § 18 point 2 section 2 of the Company's Statutes, reviewed and assessed the draft resolutions of the OGM prepared by the Management Board on net profit distribution FY2010, without expressing any reservations about the proposed contents.

VI. Motions

The Company's Supervisory Board addressed to the Ordinary General Meeting of Stalexport Autostrady S.A. to:

- approve the Management Board's report on performance of the Company and the unconsolidated financial statement of Stalexport Autostrady S.A. FY2010,
- approve the Management Board's report on performance of the Capital Group and the consolidated financial statement of the Capital Group of Stalexport Autostrady FY2010,
- extending a vote of acceptance to the Management Board's members for performing the duties in 2010,
- adopting the resolution on net profit distribution for 2010, in accordance with the Management Board's project.

Vice-Chairman
of the Supervisory Board
/-/ Aleksander Galos

Chairman
of the Supervisory Board
/-/ Roberto Mengucci

Katowice, 02.03.2011

VII. List of the Supervisory Board's resolutions passed in 2009.

No	on
01/2010	approving the Compliance Programme for Stalexport Autostrady Capital Group
02/2010	approving the changes to the Regulations of the Management Board
03/2010	approving the changes to the Regulations of the Supervisory Board
04/2010	assessing draft resolutions of OGM (no 4,6,7)
05/2010	assessing draft resolutions of OGM (no3, 5)
06/2010	assessing draft resolutions of OGM (no 9 discharge E. Wąsacz)
07/2010	assessing draft resolutions of OGM (no 9 discharge M.Skołoczyński)
08/2010	assessing draft resolutions of OGM (no 10 discharge W.Gębicki)
09/2010	assessing draft resolutions of OGM (no 11-19 discharge of SB members)
10/2010	assessing draft resolutions of OGM (no 20)
11/2010	assessing draft resolutions of OGM (no 21)
12/2010	assessing draft resolutions of OGM (no 22,23)
13/2010	assessing draft resolutions of OGM (no 24-30)
14/2010	assessing draft resolutions of OGM (no 1, 2)
15/2010	approving the reports of the Supervisory Board for Y2009
16/2010	appointing President of the Management Board of Stalexport Autostrady S.A.
17/2010	appointing Vice-President of the Management Board of Stalexport Autostrady S.A.
18/2010	appointing Vice-President of the Management Board of Stalexport Autostrady S.A.
19/2010	appointing chairman of the Supervisory Board of Stalexport Autostrady S.A.
20/2010	appointing vice- chairman of the Supervisory Board of Stalexport Autostrady S.A.
21/2010	appointing secretary of the Supervisory Board of Stalexport Autostrady S.A.
22/2010	appointing the Remuneration Committee of the Supervisory Board of Stalexport Autostrady S.A.
23/2010	appointing the Audit Committee of the Supervisory Board of Stalexport Autostrady S.A.
24/2010	fixing the consolidated text of the Statutes Stalexport Autostrady S.A.
25/2010	fixing the consolidated text of the Regulations of the General Meeting
26/2010	annual bonus for the the Management Board's members for 2009
27/2010	acquisition of shares of Stalexport Autostrada Małopolska S.A. in Myslowice
28/2010	acquisition of shares of Stalexport Autoroute S. a R. L in Luxembourg
29/2010	pledge on new shares in Stalexport Autoroute S. a R. L in Luxembourg
30/2010	determining the three year incentive plan for the Management Board's members
31/2010	determining bonus tasks for the Management Board's members for 2010
32/2010	assessing draft resolution of EGM (nr 1 and 2) – circular mode
33/2010	assessing draft resolution of EGM (nr 3) – circular mode
34/2010	assessing draft resolution of EGM (nr 4) – circular mode